

COMMERCE, JUSTICE, SCIENCE, AND RE- LATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2016

THURSDAY, FEBRUARY 26, 2015

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:33 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Richard Shelby (chairman) presiding.
Present: Senators Shelby, Collins, Kirk, Capito, Lankford, Mikulski, Shaheen, Coons, Baldwin, and Murphy.

U.S. DEPARTMENT OF COMMERCE

OFFICE OF THE SECRETARY

STATEMENT OF HON. PENNY PRITZKER, SECRETARY

OPENING STATEMENT OF SENATOR RICHARD C. SHELBY

Senator SHELBY. The subcommittee will come to order. Today, I want to welcome Secretary Pritzker, who will testify about the Department of Commerce's 2016 budget request. This subcommittee has had a productive relationship with the Commerce Department under Secretary Pritzker's tenure, and we appreciate very much her being here today.

The Department of Commerce is responsible for a variety of activities critical to our Nation's well-being, including: weather forecasting, economic development, fisheries management, cybersecurity standards, and trade enforcement, among others. Few departments have such potential to directly impact the strength and sustainability of our communities and local businesses back home.

The Commerce Department's request for fiscal year 2016 totals \$9.8 billion, which is \$1.3 billion, or 16 percent, above the 2015 enacted amount of \$8.5 billion. This request represents a significant increase in spending at a time when America is still living within a constrained budget. The Department's request proposes increasing funding for several important programs that are already expensive, including the build up to the 2020 Decennial Census and efforts to launch the next generation of weather satellites. These large increases are coupled with substantial funding proposals for new initiatives, which will continue to add financial pressure on existing core programs and operations.

Such a disjointed request, I believe, ignores current fiscal realities and raises immediate questions about the administration's priorities for establishing a balanced budget within the Commerce Department. Strict oversight and fiscal responsibility are essential for the Department's success in 2016.

One of the growing pressures on the Department's budget is the anticipated budgetary and personnel build up to execute the 2020 Census. And while the Department is working to make the 2020 Census as efficient and cost-effective as possible, any delay in testing and activities now will have very costly ramifications in the future. The Department, I believe, simply cannot afford to have another \$1 billion setback similar to that experienced in 2010.

Madam Secretary, I believe if you're not watchful of plans and schedules with the Census today, important programs throughout the Department could suffer in order to keep the Census on track.

When it comes to accountability, ensuring the timely delivery, launch, and operation of weather satellites remains a primary concern for this subcommittee. According to NOAA's own budget request, polar orbiting satellites provide the primary input, up to 85 percent, of the data needed for NOAA's numerical weather prediction models, the underpinnings of high impact weather forecasts. Eighty-five percent, I think, is a big deal.

Despite the continued support and full funding provided by the subcommittee to NOAA for these satellites, recent reports by GAO and the Department of Commerce Inspector General suggest that a gap in polar satellite data is likely to occur. GAO continues to predict a gap that could last anywhere from 17 to 53 months, while NOAA and NASA say there is only a potential of a 3 month gap. I'm disappointed in the lack of a specific plan to address the potential near-term data gap that could occur this calendar year.

Madam Secretary, this mixed message on the potential gap deeply troubles me. It's clear that the loss of this data would negatively impact the capability of our Nation's weather forecasters, potentially putting lives and property in harm's way. This gap debate and incongruent information does little to dissuade my concerns or that of the American people.

In addition, I'm concerned about the Department's 2016 request of \$380 million for a proposal to build a follow-on polar satellite program after the Joint Polar Satellite System. The 2016 request is only an initial down payment for this new satellite program and lacks specific details on the overall price tag, which could cost several billion dollars. The subcommittee will need further information from the Department and NOAA on this new satellite system to determine what exactly the taxpayers are being asked to invest in beyond 2016.

Finally, I want to touch on the Department's role in economic development. For fiscal year 2015, I expressed concern about the roll-out of the Investing in Manufacturing Communities program. This program gives selected communities a seal of approval and priority access to Federal resources, resulting in the Department picking winners and losers. This is a concern that a lot of us have.

I'm similarly troubled by a new initiative proposed in the 2016 request that would establish two new institutes for manufacturing and innovation. The question is, do we need them? Last year's om-

nibus spending bill included authorization to build out a network of these manufacturing institutes. And while I support efforts to drive innovation and spur private sector growth, I'm concerned that institutes may benefit only certain communities while disadvantaging others. I believe this manufacturing initiative will create a fiscal commitment that we might be unable to meet.

The administration proposes \$1.9 billion in mandatory spending in 2017 to fund these manufacturing institutes, but these funds have yet to be authorized. With no mandatory funding available or identified, the administration proposes spending \$150 million of discretionary funding in fiscal 2016. This is discretionary funding that the Department simply can't afford. I'm concerned that funding new initiatives like this will come at a cost to Commerce's core functions. To be financially successful, I believe the Commerce Department's role in this initiative should be limited in scope, focused on its core mission of economic development, and assisting the most economically distressed communities, while being mindful of taxpayers' dollars.

I look forward, Madam Secretary, to hearing your views on these matters and working with our subcommittee to address the concerns in the 2016 bill.

Now, I want to recognize Senator Mikulski, the former Chairwoman of the subcommittee and my friend and colleague, for any remarks that she might want to make.

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Thank you very much, Chairman Shelby, and I want to congratulate you on your chairmanship and once again, reaffirm our bipartisan working relationship on what's going to be good for our country. And we know today that there are some new members on our subcommittee from both Wisconsin and Oklahoma, and it's wonderful to welcome you to the subcommittee.

Secretary Pritzker, of course, is the Secretary of Commerce, which is a hybrid agency that does deal with everything from fish, which is so crucial to our mutual economies—especially Senator Collins and myself and I know Alabama—to technology, to the prediction of weather, which we can see we're highly dependent upon.

But her mantra and her mission has been the phrase that America is open for business. And we look forward to hearing from her how she feels the budget request from the President will enable the Department of Commerce not only make wise use of taxpayers' dollars, but how this will promote our economy and promote job growth, both today and tomorrow. So we look forward to hearing how this "Open for Business" has actually worked in the real world and how it will do this. We're not here to fund Government programs. We're here to fund American outcomes. And those American outcomes are to create American jobs, promoting economic growth, particularly in manufacturing, which so many of our communities have been hard hit, an increase in exports, and also to make sure that as we do R&D, that this is leading, really to markets.

I am thrilled, particularly in my own home State, where we have so many Nobel Prize winners. But I want us to not only win the Nobel Prizes, but I want us to win the markets. So we're going to look forward to what does the money mean. And of course, pro-

tecting America's jobs, and not only new trade laws, but enforcing the existing ones, and safeguarding our intellectual property. We here in America are inventors. We are discoverers. But I believe that when you invent something, you should own it, and it should not be stolen from you, and we need that.

The other is to be able to protect our people, and whether that's accurate weather forecast—because again, Senator Collins and I have talked about how we've had firefighters rescuing people and nurses with snowmobiles. We have people out there now on our waterways in cold and frozen waters, either worrying about where our fishermen are or promoting commerce. We need accurate weather, whether you're Oklahoma or Wisconsin worrying about a tornado or—we need this. So it is the weather forecasting.

We're particularly interested in the Commerce Department's role in cyber. When we think of the word cyber, we immediately think of the defense of our Nation. We think of the Department of Defense, the Cyber Command, the National Security Agency. We certainly are thinking about the responsibilities of the Homeland Security that could be facing a shutdown. But what is the role of cyber at a Commerce Department? And quite frankly, you've been hacked yourself, so we want to know that.

The other is that we appreciate your work in reform. Going back to really Secretary Gutierrez, he and I worked as reformers together on things like, especially, the Census, which was of great concern. We worked together on the techno boondoggle of the NOAA satellites. We need to hear how you've made progress and how we cannot have boondoggles again. And I know you've carried on the spirit of reform that was created under Secretary Gutierrez, Becky (Acting Secretary Rebecca Blank) continued it, and you have, because with an approximately \$9 billion budget request, we've got to make sure we use the money that we have well, and leverage that to make sure that America is not only open for business, but stays in business.

So I look forward to your testimony and working with you to achieve those goals.

Senator SHELBY. Secretary Pritzker, your written testimony will be made part of the record. You can proceed as you wish. Welcome, again, to the subcommittee.

SUMMARY STATEMENT OF HON. PENNY PRITZKER

Secretary PRITZKER. Thank you very much, Chairman Shelby, Vice Chairman Mikulski, and members of the subcommittee. Thank you for the opportunity to lay out President Obama's fiscal year 2016 Budget for the Department of Commerce.

This budget advances the core tenets of the Department's mission, to develop and implement policies that support economic growth, to help America's businesses expand and thrive, both at home and around the world, and to ensure that the country remains competitive, stays at the forefront of innovation, and continues to lead the global economy in the 21st century. To support this mission, the fiscal year 2016 budget provides \$9.8 billion of discretionary funding to reinforce the priorities of the Department's strategy, our Open for Business agenda, by promoting U.S. exports, trade, and investment, by spurring high tech manufacturing and

innovation, by unleashing more data for economic benefit, by gathering and acting on environmental intelligence, and by making our agency's operations more efficient and more effective.

Today, I want to highlight some key initiatives supported by this budget. First, the Commerce Department collects, analyzes, disseminates data that informs everyday business decisions. In particular, the Census Bureau creates data products used by businesses, policy makers, and the public. The fiscal year 2016 budget reflects the fact that this is a critical year for preparation of the 2020 Census as we test the use of administrative records, reengineered field operations, and Internet data collection, as we create new systems to improve coverage and quality of the Census, and as we develop plans for the fiscal years 2017 and 2018 integrated tests of the entire process, all of this combined at a potential savings of \$5 billion to taxpayers. But to achieve these savings, we must invest today.

Another part of our agenda is to help communities and businesses prepare for and prosper in a changing environment. The National Oceanic and Atmospheric Administration's budget will enhance our ability to meet this goal through two investments. First, the budget proposes \$2.4 billion to fully fund the next generation of weather and environmental satellites, which provide our communities with forecasts that protect lives, property, and the economy. Funding the development and launch of future satellites is absolutely critical to reduce the risk of a potential gap in weather data in 2017 and beyond.

Second, the budget requests \$147 million to develop a high endurance, long range ocean survey vessel. Our fleet is in desperate need of renewal. Making this investment now will enable NOAA to take advantage of design work previously done by the Navy and of openings in the shipyard's schedule, both of which will save taxpayers millions of dollars in acquisition and design costs. Time is not our ally. We need to replace eight ships in the next 12 years, and this ocean survey vessel is just the first.

For generations, manufacturing has been a key to innovation, a source of middle class jobs, and a pillar of our global leadership. Over the last 5 years, America's manufacturers have made a comeback, adapting, innovating, and adding more than 870,000 jobs, growing for the first time in decades. Recognizing the importance of manufacturing to our competitiveness, you passed the Revitalize American Manufacturing and Innovation Act, which calls for the expansion of the national network of manufacturing innovation, or NNMI. This initiative brings together industry, university researchers, community colleges, NGOs, and government to accelerate the development of cutting-edge manufacturing technologies. From the start, the competition among communities to host and to provide matching funds for these advanced manufacturing sites has been fierce. Our fiscal year 2016 budget requests funding to oversee and coordinate current and future institutes and to support two institutes led by the Commerce Department, which would focus on lab to market opportunities that the private sector industry determines have the most potential.

This budget will also provide the International Trade Administration with the resources needed to advance President Obama's ro-

bust trade agenda. These investments will enable our export assistant centers and foreign commercial service to help small, medium, and large size businesses expand their exports to new markets and to ensure that American made products make their way to the 95 percent of customers who live outside of the United States.

Finally, our budget will allow us to continue the renovation of our building's headquarters here in Washington, D.C. This multi-year project is designed to upgrade our 80-year old facility's heating, cooling, plumbing, and electrical systems. The \$24 million requested by our department will enable us to make better use of our space, and ultimately reduce the amount of funds required to house our employees.

These priorities only scratch the surface of our department's work to support U.S. businesses, U.S. communities, and our economy. So I look forward to answering your questions today and to partnering with this subcommittee to keep America open for business. Thank you.

[The statement follows:]

PREPARED STATEMENT OF HON. PENNY PRITZKER

Chairman Shelby, Ranking Member Mikulski, and members of the subcommittee, thank you for this opportunity to discuss with you President Obama's fiscal year 2016 budget request for the U.S. Department of Commerce. The investments included in the fiscal year 2016 budget request build upon the important investments you enacted in fiscal year 2015 and I am grateful for your support.

The Department plays a critical role in promoting U.S. economic growth and providing vital scientific and environmental information. To support this mission across its diverse bureaus, the budget provides \$9.8 billion in discretionary funding for Commerce. This funding level will enable key investments in areas such as promotion of exports and foreign investment; development of weather satellites; wireless and broadband access; and research and development to support long-term economic growth. At the same time, efficiency gains, such as streamlining operations in the Census Bureau and reductions in lower-priority activities enable Commerce to reduce costs and operate more efficiently.

The fiscal year 2016 budget request reflects and advances the priorities of the Department's "Open for Business" Agenda. It maintains our role as the voice of business in the Obama administration by making critical investments in areas that will grow our economy and create good American jobs. This budget prioritizes promoting U.S. trade and investment, spurring high-tech manufacturing and innovation, unleashing more of our data, and gathering and acting on environmental intelligence, while also streamlining operations to help businesses grow. We are committed to working with Congress to achieve these goals so we can continue to build on our economic momentum and keep America more competitive in the global economy.

The fiscal year 2016 Department of Commerce budget includes key investments in the following areas:

STRENGTHENING U.S. TRADE AND INVESTMENT

Increasing trade and investment is critical to growing our economy. Exports have driven nearly one-third of economic growth since 2009 and support 11.3 million jobs. Ninety-six percent of companies that export are Small and Medium Enterprises (SMEs). Today, 95 percent of potential customers are outside our borders and growing the number of export-related jobs, which pay up to 18 percent more on average, will require expanding our ability to reach these foreign markets.

The budget includes \$497 million for the International Trade Administration (ITA) to strengthen the competitiveness of U.S. industry, promote job-creating trade and investment, and ensure fair trade through the rigorous enforcement of our trade laws and agreements. Funding for ITA includes \$15 million to accelerate operations of the Interagency Trade Enforcement Center (ITEC), a multi-agency effort to address unfair trade practices and barriers that impede U.S. exports.

The budget also provides \$20 million within ITA to further strengthen SelectUSA, which is the government-wide effort to promote and facilitate business investment

into the United States. From a vast domestic market, to a transparent legal system, to the most innovative companies in the world, America is the place for business. We are very grateful to this subcommittee for its past support for this important program. Building upon the successes of the inaugural SelectUSA Summit in 2013, the Department will host its second SelectUSA Investment Summit in March 2015. Other funds will support ITA's efforts to make it easier for U.S. companies of all sizes to reach consumers who live beyond our borders, including program and policy improvements to provide exporters more tailored assistance and to strengthen partnerships at the State and local level that support export promotion and foreign direct investment attraction strategies.

The President's fiscal year 2016 budget requests \$115 million for the Bureau of Industry and Security (BIS). Following the successful realignment of significant license application responsibilities from the Department of State to BIS, our focus on capacity-building now shifts from export administration to export enforcement. This level of funding will allow us to increase the number of enforcement agents within BIS to ensure enforcement of export controls and compliance-related activities to ensure that exporters and re-exporters are following our export control regulations.

If we are to ensure that we can export U.S. goods more quickly, while also ensuring that sensitive technologies do not end up in the wrong hands, we must be able to educate exporters and re-exporters about our regulations and their responsibilities, and we must put sufficient teeth into our enforcement efforts. Strong enforcement levels the playing field for exporters, while lax enforcement threatens our national security and permits violators to flourish at the expense of the compliant.

To continue supporting the national growth of minority-owned U.S. businesses, the budget includes \$30 million for the Minority Business Development Agency. Minority owned firms make a significant and valuable contribution to our economy and export at a higher rate compared to all U.S. firms. This investment will promote further growth and global competitiveness of our Nation's minority-owned businesses.

SPURRING INNOVATION, GROWTH AND COMPETITIVENESS

Strengthening U.S. Manufacturing: As global competition continues to increase, the United States must find ways to foster the innovation that produces economic growth and creates well-paying middle-class jobs. A national effort to create institutes focused on manufacturing innovation will accelerate development and adoption of cutting-edge manufacturing technologies for new products that can compete in international markets. The National Network for Manufacturing Innovation (NNMI) provides a manufacturing research infrastructure where U.S. industry and academia collaborate to solve industry-relevant problems. To date, five institutes, funded by the Department of Defense and the Department of Energy, have been launched, involving more than 300 companies and universities and attracting \$480 million in private funding in the institutes. NNMI will keep America on the front-lines of discovery, which will result in our businesses, our manufacturers, and the American economy becoming more competitive in the 21st century global economy.

The budget supports the President's vision of creating a full national network, expanding NNMI with up to 45 manufacturing innovation institutes across the Nation during the next 10 years. In total, the budget includes discretionary funding for seven new institutes in fiscal year 2016, including \$140 million for the first two Commerce-led institutes. The budget also includes an additional \$1.9 billion mandatory proposal to fulfill the President's vision. The budget includes an additional \$10 million for the National Institute of Standards and Technology (NIST) to coordinate the activities of the current and future institutes, leveraging the authorities in the bipartisan Revitalize American Manufacturing and Innovation Act (RAMI), enacted as part of the Consolidated and Further Continuing Appropriations Act, 2015, thanks to your support.

The budget also provides \$141 million for NIST's Hollings Manufacturing Extension Partnership (MEP), which will continue to focus on expanding technology and supply chain capabilities to support technology adoption by smaller manufacturers to improve their competitiveness.

Supporting 21st Century Economic Development: Economic Development creates the conditions for economic growth and improved quality of life by expanding the capacity of individuals, firms, and communities to maximize the use of their talents and skills to support innovation, lower transaction costs, and responsibly produce and trade valuable goods and services. The budget invests \$273 million for the Economic Development Administration (EDA) to support innovative economic development planning, regional capacity building, and capital projects. Within this amount, \$25 million is included for the Regional Innovation Strategies Program to promote

economic development projects that spur entrepreneurship and innovation at the regional level. The EDA budget also includes \$39 million for Partnership Planning to support local organizations with their long-term economic development planning efforts and outreach. Additionally, \$53 million is provided for Economic Adjustment Assistance for critical investments such as economic diversification planning, and implementation, technical assistance, and access to business start-up facilities and equipment.

Supporting the Digital Economy: The fiscal year 2016 budget request demonstrates the administration's continued commitment to broadband telecommunications as a driver of economic development, job creation, technological innovation, and enhanced public safety. The investment of \$49.2 million will allow the National Telecommunications and Information Administration to develop, implement, and advocate policies to help meet challenges related to the digital economy, Internet openness, privacy, and security. The President's broadband vision of freeing up 500 MHz of Federal spectrum, promoting broadband competition in communities throughout the country, and connecting over 99 percent of schools to high-speed broadband connections through the ConnectED initiative will create thousands of quality jobs and ensure that students have access to the best educational tools available.

The budget supports implementation of telecommunications provisions enacted in the Middle Class Tax Relief and Job Creation Act of 2012, which are expected to reduce the deficit by more than \$40 billion over the next 10 years through spectrum auctions. These auctions will increase commercial access to wireless broadband spectrum while fully funding an interoperable public safety and first responder broadband network.

Beyond our efforts to promote innovation, the budget highlights the administration's commitment to cybersecurity by supporting NIST's efforts to work with industry on implementing the Cybersecurity Framework of standards and best practices, as well as sustaining initiatives associated with cybersecurity automation, cybersecurity information, and the National Strategy for Trusted Identities in Cyberspace (NSTIC).

Spurring Innovation for American Businesses: Through implementation of the America Invents Act, the U.S. Patent and Trademark Office (USPTO) continues to make it easier for American entrepreneurs and businesses to bring their inventions to the marketplace sooner, converting ideas into new products and new jobs. The budget supports a program level of \$3.5 billion for USPTO, a level that would allow USPTO to fund operations and to further implement administrative actions proposed by the President's Patent Task Force.

Fueling a Data-Driven Economy: Data is the fuel that powers the 21st century economy, and Commerce Department data touches every American and informs business decisions every day. The budget will support data-related efforts ranging from our preparations for the 2020 census to unleashing more NOAA data through public-private partnerships.

Improving Federal Statistical Measures: The budget provides \$1.5 billion to provide critical support for the U.S. Census Bureau to research, test, and implement innovative design decisions made at the end of 2015. Funding in fiscal year 2016 supports the rapid system and operational development necessary to achieve the goal of conducting a census at a lower cost per household than in the 2010 census, potentially saving up to \$5 billion compared to the costs of repeating the 2010 census design in 2020. The budget also includes a planned cyclical increase for the Economic Census. The budget includes \$10 million in additional funding for the Census Bureau to lay the ground for acquiring and processing administrative data sets in an administrative records clearinghouse that will benefit program evaluation and statistical work across the Government as well as amongst private researchers. The Bureau will accomplish this by building on its existing strengths to develop a more comprehensive infrastructure for linking, sharing, and analyzing key datasets.

Gathering and Acting on Environmental Intelligence: The Department's environment agenda aims to help communities and businesses prepare for and prosper in a changing environment through the models, assessments, forecasts, and tools generated based on data from our network of satellites, ships, and world-wide sensors.

The budget provides \$6.0 billion to advance the National Oceanic and Atmospheric Administration's (NOAA) ability to understand and anticipate changes in the Earth's environment, improve society's ability to make scientifically informed decisions, deliver vital services to the economy and public safety, and conserve and manage ocean and coastal ecosystems and resources. The budget invests in NOAA's observational infrastructure, including \$2.4 billion to fully fund NOAA's weather and space weather satellite programs. This includes \$380 million for the Polar Follow-On satellite program, allowing for a launch schedule that is necessary to improve the robustness of the satellite systems that provide critical weather data.

The Department continues its commitment to support a Weather-Ready Nation, and evolve the National Weather Service to become a more agile decision support organization capable of providing more accurate and more timely weather forecasts. The United States has the greatest number and greatest variety of severe weather events of any country on the planet. The Budget invests \$1.1 billion for the National Weather Service, including funding increases for critical infrastructure.

The President's budget makes investments to fill information needs in observations, surveys, and fisheries management, including \$147 million for a new ocean survey vessel. The budget also provides \$50 million for an expanded Regional Coastal Resilience Grant Program, which will help reduce the risks and impacts associated with extreme weather events and changing ocean conditions and uses, along with \$30 million for ocean acidification research to improve understanding of its impacts and support tool development and adaptive strategies for affected industries and stakeholders. Additionally, the budget requests an increase of \$19 million for expanded Endangered Species and Magnuson Stevens Act consultation capacity that will reduce permitting timeframes.

Streamlining Operations: To further the President's goals of improving customer service and enhancing the efficiency of Government, the budget includes \$6 million to support a Commerce Digital Services team to adopt private sector best practices and recruit talent to improve Commerce's information technology systems. This team will be responsible for driving the efficiency and effectiveness of the Agency's highest impact, client focused information technology systems. In addition, the budget includes \$3 million to support the development of an "Idea Lab," which will house a team dedicated to incubating and investing in innovative approaches to more efficiently and effectively meet Agency strategic goals and objectives through greater employee engagement.

CONCLUSION

With the fiscal year 2016 budget, the Department seeks to advance the core tenets of its mission: to create the conditions for economic growth; help U.S. businesses expand; and to ensure that America stays competitive, stays ahead, and continues to lead the global economy in the 21st century. The smart investments proposed in President's fiscal year 2016 budget will support a globally competitive economy by promoting trade and investment, spurring innovation, fueling a data-driven economy, and gathering and acting on environmental intelligence. With this budget, I am confident that we will keep America "Open for Business." I look forward to working with the subcommittee to achieve these important goals.

POLAR FOLLOW-ON SATELLITE PROGRAM

Senator SHELBY. Thank you, Madam Secretary. I'll try to get to the point on these. The Polar Follow-on mission, how long will this new Polar Follow-on satellite program last beyond 2016?

Secretary PRITZKER. Well, the Polar Follow-on program is one that has, I think, actually quite a long life, and I can get you specifically, Senator—

Senator SHELBY. Will you furnish that for the record?

Secretary PRITZKER. What?

Senator SHELBY. Would you furnish that for the record?

Secretary PRITZKER. Yes, I will, sir.

[The information follows:]

Question. Polar Follow-on.—The Polar Follow-on mission, how long will this new Polar Follow-on satellite program last beyond 2016? Will you furnish that for the record?

Answer. The Polar Follow-on (PFO) implements a long term strategy to build a robust¹ architecture that will extend operations of the overall polar satellite system to as far as fiscal year 2038. PFO is essential to maintaining continuity of polar observations, ensuring NOAA continues to provide accurate and timely weather forecasts and warnings beyond JPSS-2.

¹ The definition of a "robust" architecture has two characteristics: (1) two failures must occur to create a gap in data from Advanced Technology Microwave Sounder (ATMS) or Cross-track Infrared Sounder (CrIS) instruments and (2) the ability exists to restore a two-failure condition within 1 year of an on-orbit failure.

NOAA is focused on achieving polar-orbiting weather constellation robustness. The fiscal year 2016 President's budget request includes \$380 million for PFO activities designed to achieve robustness as early as fiscal year 2023 and ensure continuity of NOAA's polar weather observations. There are three activities funded within PFO:

- initiate development of PFO/JPSS-3 to meet a launch readiness date (LRD) in the second quarter of fiscal year 2024, and PFO/JPSS-4 development to meet a LRD in the third quarter of fiscal year 2026.
- provide the option to accelerate PFO/JPSS-3 as a contingency mission with critical sounders Advanced Technology Microwave Sounder (ATMS) and Cross-track Infrared Sounder (CrIS) only.
- invest in development of an advanced technology Earth Observing Nanosatellite-Microwave (EON-MW).

NOAA will manage the PFO as an integrated single program with JPSS to incorporate efficiencies planned and implemented under JPSS. Authorizing PFO in fiscal year 2016 will allow NOAA to take advantage of the ongoing JPSS-2 instrument and spacecraft bus development to reduce schedule, risk and life cycle costs for the follow-on missions and implement a simultaneous instrument block buy for PFO/JPSS-3 and PFO/JPSS-4 instruments for the most efficient acquisition strategy and production cadence.

Secretary PRITZKER. The Polar Follow-on is a very important program for us, and thank you for the support that we've received in the past for this program.

One of the things that is important to know is that our satellite program, years ago, was not so well run. Today, we run a program that is on time and on budget. GOES-R Series program and our JPSS program are on schedule and on budget. But this potential for a gap that you talked about in your opening statement is one that we're very concerned about. The opportunity to do the Polar Follow-on is to allow us to use instruments that would be used for our JPSS-3 and -4 satellites. We would order them today, and if, God forbid, there's any kind of disruption in the satellite program that we have coming along, we can use those instruments for the disruption, which will help address the gap, but if there's no problem, then we will use those instruments on JPSS-3 and -4.

So this is a prudent way to manage our risk of a gap, but also, if there's no problem, then to use those instruments on our future satellites.

Senator SHELBY. What's the overall cost of the program, and do you have some projections on that? I would think it would be—

Secretary PRITZKER. I can get you those numbers. I know the request this hour is \$380 million, but I don't know the—I'll get you the precise numbers.

[The information follows:]

Question. Polar Follow-on.—What's the overall cost of the program, and do you have some projections on that?

Answer. NOAA has an initial life cycle cost (LCC) estimate for the PFO of \$8.2 billion. NOAA will continue to refine the LCC estimate through 2016.

Senator SHELBY. But generally, these kind of programs cost billions of dollars.

Secretary PRITZKER. Yeah. I'm sorry, Senator?

Senator SHELBY. I said, these programs cost billions of dollars.

Secretary PRITZKER. Right. What we've been doing is trying to manage, right at this moment, how to deal with the gap, but also not waste money, so that if there is no problem, then the monies that we spend today, the \$380 million, can be used in future satellites. But I'll get you the—we're working right now on the total cost of those programs.

Senator SHELBY. Some specifics. The JPSS currently has an overall cost cap of \$11.3 billion. How is this follow-on program, how does it differ from the JPSS and not just an extension thereof?

Secretary PRITZKER. No. It's included in the JPSS program, I believe.

Senator SHELBY. Ma'am.

Secretary PRITZKER. I believe it's part of the JPSS program.

Senator SHELBY. So it's an extension of it in a sense. Would you call it that, if it's part of?

Secretary PRITZKER. I don't think it's an extension. I think it's actually within the program you're discussing.

NATIONAL NETWORK OF MANUFACTURING INNOVATION

Senator SHELBY. On the Network for Manufacturing Innovation, given our fiscal constraints, how would you balance the funding request for this new initiative with that of necessary funding for core programs, such as the Decennial Census? And how would the Department go about selecting the locations of these new institutes that you propose, and what assurances can you make to this subcommittee that the process would be transparent and fair?

Secretary PRITZKER. Well, Senator, first of all, running a transparent and fair process is something that we, at the Department, are committed to in all of our programs.

In terms of ensuring that the monies would be spent wisely, first of all, the National Network of Manufacturing Innovation, I think, is one of the best crafted programs that we have for innovation development, because it requires a partnership between the private sector, universities, the supply chain, community colleges, local government, and the Federal Government. And I've gone to visit the institute in Chicago that's devoted to digital manufacturing, and what you learn is, is that for these programs to be able to be successful, it takes the best of all of these stakeholders in order to bring the best technologies.

What differentiates the two institutes that we're proposing for the Department of Commerce to run is that the technologies that we would promote are technologies that would be determined by the private sector, as opposed to determined by the Federal Government. And the Department of Defense's and Department of Energy's Advance Manufacturing Institutes, those technologies have been driven by the needs of those departments.

The other thing to remember is that our proposed budget of \$150 million is made up of really three components, two institutes that would be funded each at \$20 million a year in year one, \$20 million a year in year two, and then \$10 million a year each for years three through five, and then \$10 million to run the network. And one of the things that I think is extremely important is that we actually put together an effort to support this as a network.

Your point about making sure that there are not communities left out of these technologies, one of the things that we've seen as these institutes have continued to be competed, is that more and more universities are reaching out to partners in different parts of the country, and also the companies that are participating are from all over the country. So the geography, they have to exist some-

place, but the truth is the participants tend to have a multiplicity of locations.

And I can give you examples. I could get our staff to give yours specific examples. For example, in Chicago, I think there are a number of universities throughout the Midwest all the way down to Texas that are participating, and this is true of the other institutes as well. It's become much more of a consortia process, where then researchers go to that location, but they're still affiliated with their local universities.

Senator SHELBY. That information would be helpful.

Secretary PRITZKER. Terrific. Happy to supply it.

[The information follows:]

Answer. *NIST/DOD Response*.—There are three existing DOD-led manufacturing institutes: America Makes headquartered in Youngstown, Ohio focused on additive manufacturing; Lightweight Innovations for Tomorrow (LIFT) headquartered in Detroit, Michigan focused on lightweight metals; and Digital Manufacturing and Design Innovation headquartered in Chicago, Illinois focused on the digital thread for manufacturing. Each institute serves to anchor the region on their respective technologies while growing to national prominence as reflected in their diverse and growing memberships as outlined in the two examples below:

1. America Makes—currently has 6 Federal Government Agency members, 36 Universities and other Academia members, 62 Industry members, 14 Non-Profit Organizations, and 3 Manufacturing Extension Partnerships all spread across 28 States including: Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Minnesota, Missouri, North Carolina, New Jersey, New Mexico, New York, Ohio, Pennsylvania, South Dakota, Tennessee, Texas, Virginia, Wisconsin, West Virginia.

2. Digital Manufacturing and Design Innovation, headquartered in Chicago, Illinois, currently has the following members who have signed a membership agreement: 1 Government member, 20 Universities and other Academia, and 47 Industry members, spread across 25 States including: Alabama, Arizona, California, Colorado, Iowa, Illinois, Indiana, Kentucky, Massachusetts, Maryland, Michigan, Minnesota, Missouri, Mississippi, North Carolina, Nebraska, New York, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Utah, Virginia and Wisconsin. There are an additional 9 Federal Agencies and Services involved including Army, Navy, Air Force, NIST, National Science Foundation, NASA, Defense Logistics Agency, DOE, and Office of the Secretary of Defense. Additionally, original team members are in the approval process for signing the current membership agreement: 3 Government members, 10 Universities and Academia, and 31 Industry members, adding 5 States and the District of Columbia including: District of Columbia, Florida, Georgia, Maine, New Hampshire, and Washington.

Secretary PRITZKER. My last point on this, Senator is one of the things that is so important to remember about this effort is that, for us to remain competitive, we need to get our best technologies out of the laboratory and to market, and we need to do it expeditiously.

To give you an example, today, we have five institutes, five or six, that have been called for. And Germany has 60 of these today. So this is an important part of our remaining on the cutting edge of innovation. And we know that a third of our economic growth since 2009 has been through innovation.

Senator SHELBY. Senator Mikulski.

NOAA SATELLITES

Senator MIKULSKI. Thank you, Mr. Chairman. Secretary Pritzker, I'm going to pick up on NOAA satellites, an issue that we began—first of all, I've been NOAA satellite obsessed. Number one, because of the role they play in helping us predict the weather. Second, that our satellites are aging in place. But third, that our

satellites were really—and the operation was bordering on a techno boondoggle.

Starting with Secretary Gutierrez, then with Dr. Becky Blank under the Obama administration, and now with you, we really wanted to reform the satellite program. NOAA's satellites, why am I so hot on the satellites? It makes up 20 percent of your budget and 60 percent of the NOAA budget. So if satellites don't work, we're impeded, because it's a negative on our ability to provide contemporary and global weather forecasting, and it knocks the hell out of our budget.

So my question to you is three-fold. Number one, do you continue to reform and do the vigorous oversight that was at the highest level under the Department of Commerce? Number two, does this budget that you're asking fund the satellites that we have while we're looking at the cool new stuff. And number three, for the cool new stuff and the JPSS, the satellites -3 and -4, what is it that you're doing now to prepare yourself, because I do worry about our satellites aging in place?

Secretary PRITZKER. Well, Senator, thank you.

Senator MIKULSKI. So that's reform, how are we doing with what we've got now, and number three, are we really doing the right planning for the future?

Secretary PRITZKER. Well, Senator, first of all, thank you for asking. I mean, the satellite program is near and dear to my heart, as it is to yours, to make sure—because what's at stake here? What's at stake are lives and property as well as the ability for our businesses to get their goods and services to market, as well as for our employees to get to work. And so it's a very serious and very important endeavor that we have.

So the reform and good management are of the highest priority for our team at NOAA and at the National Weather Service. And Dr. Uccellini, who you know well—

Senator MIKULSKI. I just need you to keep moving it, because I've got only three more minutes to go.

Secretary PRITZKER. Got it. Sorry about that. Anyway, in terms of satellites, yes, we're totally committed to reform. In terms of the JPSS program, this is one that it's extremely important that we fund our polar satellites, and yes, that's included in our budget. And then as you call it the cool new stuff, or the Polar Follow-on, is extremely important, because what it will do is serve two purposes for us. One, in case there's any kind of launch disaster, we'll have instruments in the pipeline. And second, if there is no disaster, or in case, for example, the existing polar satellite Suomi National Polar-orbiting Partnership (NPP) that's up there that is past its useful life, if we have a gap, we have instruments in the pipeline. And otherwise, we will use those instruments on JPSS-3 and -4.

NATIONAL INSTITUTES OF STANDARDS

Senator MIKULSKI. I appreciate that. And I think you see here a bipartisan support for the necessity of the satellites, but to make sure we're getting our money's worth.

I'd like to go into another agency, the National Institutes of Standards. And I say to my colleagues, particularly the new, if you

want to look at cool stuff, come to Maryland and what your great Federal labs are doing. And everyone here is familiar and enormously supportive of NIH. I know the Chairman certainly is. But the National Institutes of Standards, which it sounds kind of geeky, because they do measurements, really helps move jobs to the private sector.

My question to you, Secretary Pritzker, could you elaborate on the labs to market and also how you're working with the private sector?

I have an example here where MedImmune, a pharmaceutical company in my State that employs 2,000 people, that's just a few miles from NIST, has signed a contract with them, a 5-year Government agreement, giving it access to NIST expertise and measurement, and is helping pay for seven post-doctoral researchers to be used in pharmaceutical research. And MedImmune is crazy about this. They're going to be what the private sector does, but they need the Government to help them with the new measurements and the new way of accessing things for the new biosimilars and other products. So MedImmune says it can't grow and bring other ideas to market without NIST.

Could you talk about what NIST means in labs to market? Because whether it's our Federal labs, whether it's our universities and so on, it is about, ultimately, the new ideas that create new products, that will create the new jobs. Could you elaborate?

Secretary PRITZKER. Yes, Senator. Recently, I was out at Stanford. And one of the things to remember, what does NIST do? NIST sets standards for everything that we use, whether it's buildings or it's biosimilars. So right now, in terms of biotechnology and bio-engineering, it's extremely important that we begin to figure out how to measure things that are being developed in the laboratory so that then they can—first of all, those products can be replicated to a certain specificity. But if there's no way to measure what it is you've got, there's no way then to know if you've replicated it.

So it's an extremely important function that we play. It's a very broad function. But it's absolutely—for innovation in America, and for the ability of our businesses not only to be successful in our country and innovate here, but also around the world, NIST, the development of standards, is something that is critical in this development of measurements. And that role is something that is one I've come to really appreciate.

Senator MIKULSKI. So what is the labs to market going to do?

Secretary PRITZKER. So labs to market, we have a number of efforts. First of all, we have the National Network of Manufacturing Innovation, which is about how do we take technologies in manufacturing, and how do we bring them to market. And those are in different areas, whether it's 3D printing, composite materials, lightweight materials.

There's other efforts in our Centers of Excellence at NIST that are focused on advanced materials, whether they're in biosimilars, forensic sciences, disaster resilience. These are areas where NIST will provide and work with a new business model to leverage outside research expertise with university expertise to bring these concepts and new discoveries to market.

And these are topics that are developed in partnership. And that's what NIST is also really good at, is working in partnership with the most cutting-edge researchers, but also with the private sector, so that ideas don't just sit in our universities, or sit in our laboratories, whether they're Federal or they're private universities, it's important that we get those technologies out into the marketplace.

Senator MIKULSKI. Okay. My time is up. But I just say to my colleagues, when we all worked with mammogram standards, it was NIST that helped develop what the standards should be, and I could give lots of examples. Come on down and visit. We'd have a good time.

Senator COLLINS. Thank you, Mr. Chairman. Madam Secretary, welcome.

Secretary PRITZKER. Thank you.

UNFAIR SUBSIDIES

Senator COLLINS. Along with my main colleague, Senator King, and Representative Poliquin, I recently wrote you about the unfair subsidies provided by the Provincial Canadian Government of Nova Scotia to a paper producer in Port Hawkesbury. I very much appreciate your very prompt response.

Our highly skilled paper workers in Maine can compete successfully whenever there's a level playing field, but they cannot compete when a foreign government is providing more than \$100 million of subsidies to a mill that is manufacturing the same kind of product.

I understand that the coalition for fair paper imports, which includes Madison Paper Industries, which employs 240 workers in my State, will soon file a petition for countervailing duties covering the imports of supercalendered paper from Canada in response to the more than \$125 million in subsidies already provided by Nova Scotia.

Can you update me on what the next steps would be in dealing with these unfair subsidies once the petition is filed, which will happen shortly?

Secretary PRITZKER. Senator Collins, first, as you know, we take enforcement and compliance very seriously at our department. Ensuring a level playing field is one of our number one priorities at the International Trade Administration, and enforcing trade remedy laws is something that is very, very important to me personally.

We will keep you informed as we can. There are rules about what we can say at different points during the process. But as appropriate, absolutely, we would be happy to keep you informed.

Senator COLLINS. Thank you very much. The other issue that I want to mention to you today is the U.S.-Canadian Softwood Lumber Agreement. This was negotiated in 2006, and it had been said to expire in 2013 but was extended to October of this year.

I will tell you that this is an extremely complicated agreement. It involves different patterns of ownership of the land in Canada, different stumpage fees. The location of cross border mills makes it extremely complicated. And the previous agreement was plagued

by a failure of our Government to enforce it fully when the Canadians, on occasion, violated it.

As the deadline approaches for the expiration of the agreement in October, I ask that the Department as well as the U.S. Trade Representative, and I know you can't speak for him, but I ask that your department be very engaged with U.S. forestry stakeholders and the Canadian Government. And specifically, because of the complexity, because the maritime provinces are different in their ownership than British Columbia for example, because we have mills right on the border that process lumber that is cut, where the wood is cut in Maine, I would ask that you develop a process to ensure that the views of Maine stakeholders are considered as you go into the new negotiations.

Secretary PRITZKER. Well, Senator, I appreciate your raising this agreement. And we'll work with you and your staff to better understand the issues at stake and to make sure that we take the citizens of Maine's interests into consideration as we deal with it.

Senator COLLINS. Thank you very much.

Secretary PRITZKER. Thank you.

Senator COLLINS. Thank you, Mr. Chairman.

Senator SHELBY. Senator Baldwin.

Senator BALDWIN. Thank you. I don't know how often it is that a previous set of questions so well sort of queues up for what I want to ask you about the paper industry and a level playing field.

So my first question is in relation to the Department's role in ensuring a level playing field for U.S. manufacturers, and particularly in the paper manufacturing sector. It's especially important in my home State of Wisconsin.

And I do want to applaud the administration's recent WTO challenge to China's Export Subsidy program, which provides \$1 billion in illegal subsidies over 3 years. And while this \$1 billion subsidy, it's large, it pales in comparison to the estimated \$33 billion in government subsidies that Chinese paper companies have received over the last decade.

Now, not only are paper companies in China receiving extensive State-backed support, but we continue to see importers bringing Chinese paper products, especially thermal paper products, into this country that are subject to antidumping and countervailing duties, without paying a dime in duties.

And I understand that the budget request contains \$15 million for the Interagency Trade Enforcement Center, which in my mind, should be working to eliminate these kinds of practices. In addition, there is \$16.4 million specifically for China antidumping and countervailing duty enforcement and compliance activities. These amounts are similar to previous years, and yet paper companies in my State do not feel like there has been adequate attention to stem this tide.

So do you agree that this is a significant problem? And if so, how is your budget going to help stop it?

Secretary PRITZKER. Senator, thank you. You know, trade enforcement is a big priority for us at the Department and this administration, and we need to be very serious about this to ensure that American workers and businesses are competing on a level playing field, as you mentioned, around the world.

And the President established the Interagency Trade Enforcement Center in 2012 to enhance our ability to identify and address violations of trade agreements. And that's why we've asked for an additional \$15 million in this budget to allow us to add personnel to the ITEC and continue to enhance these efforts to fight challenges like you were talking about for your paper industry and challenge and address unfair trade practices.

[The information follows:]

The Department of Commerce has had frequent conversations with Senator Baldwin's office on a number of requests the Senator had with Secretary Pritzker during the hearing. Per the request of the Senator's office, we held an AD/CVD briefing with her office. This briefing covered the basics of AD/CVD as well as included a focus on cases involving China. Additionally we are working with Senator Baldwin's office to hold a joint DOC/USTR briefing on the basics of the ITEC program. We expect that briefing to take place soon.

And I'd be happy to have our staff follow up on the specifics of the paper challenge for Wisconsin. I just want you to know though that, in terms of today, we have about 310 antidumping and countervailing duty orders in place, and 40 percent of those are on products from China. So we take this role extremely, extremely seriously. And last year alone, we brought more cases than we have any year in the past 10 years.

Senator BALDWIN. Thank you. I want to turn to another topic that was raised earlier, which is the National Network for Manufacturing Innovation. And I'm actually pleased to see that the President's budget request is working to make sure that the next wave of high-tech innovation is happening here in America rather than overseas.

I can tell that, in my home State of Wisconsin, organizations like the Water Council and the Midwest Energy Research Consortium are really already doing the hard work of on the ground organizing of clusters of innovation around private industry and academia. And I give you an open invitation to come visit those efforts, which are very impressive.

But as we move forward, I want to kind of dovetail on Chairman Shelby's question of what sort of input are you taking from the private sector, from academia in making decisions about what these next institutes will embrace? Is there an open call for ideas? Are you holding workshops? My constituents are very eager to know how they can highlight the work that's already being done on the ground.

Secretary PRITZKER. So as you know, the legislation passed at the end of last year, but NIST has been focused on how to run, how to garner this kind of information for the past several years and is putting in place—and that's why we've asked for the \$10 million, but we have ideas and plans, but we want to garner that kind of input from the private sector to be able to have a broad effort outreach, so that we're gathering the best ideas available from the private sector.

Senator BALDWIN. Well, as those are developed, I hope you will come and have your staff brief interested subcommittee members on how that's developing, because our constituents are very eager to know.

Secretary PRITZKER. Would be delighted to do that. I know it's an area of interest to many of you.

Senator SHELBY. Senator Lankford.

Senator LANKFORD. Thank you. And thanks for being here as well.

INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

Secretary PRITZKER. Thank you.

Senator LANKFORD. Grateful to be able to have the conversation. I want to talk a little bit about where we stand with ICANN, once favored conversation, and DNA—or I’m sorry, DNS, not DNA. DNA would be fun to talk about as well, by the way, if you want to talk about that.

But the budget request has a note in it that I thought was interesting. It says in fiscal year 2016, NTIA will continue to develop, implement, and advocate policies positioning the U.S. to meet growing complexities and political challenges related to Internet governance and the domain name system.

Tell me the status of where you’re headed on this. And obviously, Congress has spoken back on it, is a little hesitant. So specifically, while you’re talking about status on it, how are you balancing the foreign policy objectives with United States commerce, and I mean commerce as a whole of our business world, and how dependent we really are on this Internet.

Secretary PRITZKER. Well, let me start by saying NTIA, our role is stewardship of the Internet. And so our goal has been to continue to move ICANN to a multi-stakeholder model. And in fact, we deal directly with ICANN, and the leadership of ICANN and their CEO is coming in tomorrow.

Senator LANKFORD. Can I interrupt for just a second? The question there is the why. And I think it’s the——

Secretary PRITZKER. Why?

Senator LANKFORD [continuing]. Policy question, why try to move that outside of stewardship? Has it been a problem that we’ve been a steward with it? Why remove American stewardship from the Internet?

Secretary PRITZKER. Well, we’re not giving up our stewardship of the Internet. But the challenge that we face with the ICANN IANA transition is this is a—and first of all, we’re not going to give up our position of overseeing the IANA domain name situation, unless we can assure ourselves there’s a multi-stakeholder process, and it’s not going to be jeopardized, that there’s going to be stability and resiliency and security in the domain name system, and that it meets the needs of global customers, and that the Internet will remain free and open.

The challenge we face in our role is the perception of our role in the global environment. There is a lot of pressure, as you said, from foreign governments to, in essence, take over control of the Internet and try and create places where governments are in control of what’s happening with the Internet. We think that is the wrong direction to go, and therefore, what we feel is that we’re really an oversight. ICANN is actually performing the IANA functions.

And so our goal is that ICANN continue to perform those functions. But the appearance of our engagement creates this notion of that the U.S. is a government in control, and that’s against where

we ultimately—we want to be able to argue with the rest of the world, that's not what we want to see of the Internet.

Senator LANKFORD. Right. I understand. And the skepticism is when we release the first generation, there may be some good oversight of that, and then what happens 5 years from now and etc., so what happens with China and Russia? And we can have a longer conversation. I just want to be able to express some continuing skepticism on it.

Secretary PRITZKER. Senator, I share your concern about that. And one of the criteria that I've said is we've asked for ICANN to explain to us how they're going to be accountable to a multi-stakeholder process, and there cannot be what I call a hostile takeover of ICANN.

Senator LANKFORD. Correct. And I would affirm that. One other thing I just want to be able to chat about as well are the IG reports. As I got a chance to go through some of those, some of the high risk contracting, it sounds like you're working through that process on that. I'd just affirm that, to continue to press on that.

COMMERCE BETWEEN THE UNITED STATES AND CUBA

And then one other question that I wanted to be able to bring up to you deals with Cuba and the Cuba policy at this point. You and I have exchanged letters back and forth, and thank you for being prompt in your response on that. I really do appreciate that.

As we've exchanged letters, the question that I had is, the Administrative Procedures Act is pretty clear that you can only use the statement about this being foreign affairs related if there's an emergency situation. I'm still trying to determine what the emergency situation was to make the change in Cuba policy without going through the Administrative Procedures Act, without opening this up.

Secretary PRITZKER. Senator, I would have to work with my staff and your staff to address that specific issue, because I'm not familiar with it particularly, but I'd be happy to do that.

Senator LANKFORD. Yeah, because glad to be able to follow up on it. What I don't want to do is open the door, which it appears to have just happened, because the President, any president—and this is not about a personal thing on the President by any means and their agreement and disagreement on Cuba policy and where it's going, but when we make a change in policy that doesn't follow the Administrative Procedures Act and you reach back on a 70-year-old law and say, we're going to practice this a little different than what has been done in the past, it concerns me.

Secretary PRITZKER. I understand your concern.

Senator LANKFORD. And the change in Cuba policy seemed to be connected to, this is foreign, and so it's allowable. With that exception, anything related to a foreign government would be allowable. And the Administrative Procedures Act was pretty clear it had to be an emergency situation.

Secretary PRITZKER. Well, following the law is our number one objective here at the Department of Commerce, and in terms of the specifics of the Cuba policy as it relates to the Administrative Act, we'll be happy to follow up with your staff.

Senator LANKFORD. Thank you. We'll follow up from there. Thank you. I yield back.

Secretary PRITZKER. Thank you.

Senator SHELBY. Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman. Thank you, Secretary Pritzker, both for your service and for being here today.

NOAA MANAGEMENT OF FISHING

Secretary PRITZKER. No, thank you.

Senator SHAHEEN. My first concern that I want to raise today is about the impact of NOAA's management decisions on our fishing industry in New Hampshire. I think we all share the concern that we want to see stocks rebound in the Gulf of Maine and in the Atlantic. But in November, NOAA announced the immediate implementation of additional closures in the Gulf of Maine and other limitations on fishing capacity for the remainder of this fishing season.

I've heard concerns from fishermen in New Hampshire, not just about the decisions that were made, but also about the lack of notice and about the lack of transparency in how this process was handled.

New Hampshire, which started out as the smallest fishing fleet in New England, has been hit hardest by management decisions for years now. The latest regional economic impact estimates predict that New Hampshire fishermen are likely to see their reduced revenues cut by an additional almost 50 percent from this year to next. And that's more damage than any other State in our region is experiencing.

So not only am I concerned about the decisions that have been made and the impact, but also about the lack of transparency, the lack of engagement with the industry, and the lack of notice. So I wonder if you could speak to that, and if you could give me a commitment that you will personally look at what's being done there and see what we can do to make some of those decisions less impactful on New Hampshire?

Secretary PRITZKER. Well, Senator, first of all, I know how important fishing is to all the coastline communities, and particularly in New Hampshire. And, you know, it's a difficult time, as you know, for New England fisheries and communities. And that is why we put John Bullard up in that area, to work to assist, and working with the communities and fishermen.

And I will follow up with him to understand what the issue might be around notice and transparency. He prides himself in trying to work very closely with all of the stakeholders, and I have a lot of confidence in him, so I want to find out exactly what happened.

Obviously, it's a tough time, because the stock is in the worst shape that we've seen in 40 years. And so we appreciate—I am very sensitive to the impact on families, on the businesses of these decisions, and I will personally look into this issue around transparency and notice, because we absolutely—our goal is to work very much with the stakeholders, local stakeholders, and that's why we actually put someone in the marketplace.

Senator SHAHEEN. Well, thank you. I appreciate that. I hope that thought will also be given to how to ameliorate the impact on the fishing industry in New Hampshire, which, as I said, started out with some obstacles that are not shared by other states in New England.

Secretary PRITZKER. And we're working on making sure the fishery disasters funding—

Senator SHAHEEN. Which has been very helpful. Thank you.

Secretary PRITZKER [continuing]. It gets to the State as quickly as possible.

EXPORT CONTROL

Senator SHAHEEN. Thank you very much. I was pleased to hear, both in your testimony and your written testimony, the emphasis on exporting. I think it's very important. It's been very important to our small businesses in New Hampshire. And one of the aspects that has been challenging for many of our businesses has to do with our export control system, and I know that has been under reform over the last several years.

And I wonder if you could both talk about where we are in terms of reforming the export control system and also what kind of efforts are being undertaken to get the word out to small businesses about the changes that are being made and what kind of reaction you're getting from them with respect to those changes.

Secretary PRITZKER. Well, Senator, I appreciate your asking. As you're aware, the Export Control Reform, we have about 15 of the 21 munitions lists are completed at this point, and we're continuing to make progress on the simplified system, so that we can strengthen our national security and competitiveness. That will mean for BIS that our number of licenses per year will go from 25,000 to over 50,000 by fiscal year 2016. So we're sort of more than doubling both licensure work.

In order to do that well, it's really important that we have funding to be able to get the word out. We have not had funding over the past several years to be able to really go out and promote what's happening in terms of Export Control Reform. That would be extremely important. And then the second is, we're requesting funding to increase enforcement, something that I know is of interest to a number of the senators here.

As we increase the number of licenses, we need to be able to increase enforcement as well as we need to be able to increase our ability to gather information before we give a license to someone. So we're very much focused on how all of this is connected together. We want to service our clients as well as possible, and that's why you see us asking for an increase here. It's really due to the fact we're being asked to do much more work because of the new items, I think it's tens of thousands of items, that have been transferred from the State Department to us.

Senator SHAHEEN. Well, my time is over, but again, I want to applaud that effort and encourage you to continue to work very hard on that and to suggest that maybe there's an opportunity working with SBA to help with outreach to small businesses, because they have fewer resources to be able to export, and anything that can be done here is really important.

Secretary PRITZKER. And I'm quite focused on helping small and medium sized businesses export. I've had a lot of opportunity to meet with them over the last several months.

Senator SHAHEEN. Thank you.

Senator SHELBY. Senator Collins, you have a comment.

Senator COLLINS. Thank you, Mr. Chairman. Since I had 40 seconds of my time that I didn't use, I would just want to reclaim it, and I thank the Chairman for allowing me to do so.

I just want to associate myself with the comments made by the senator from New Hampshire on the fishing issues. I've heard exactly the same concerns from the lobstermen and the fishermen who fish and do lobstering in the Gulf of Maine. And there's a great deal of anger about the new regulatory restrictions, the lack of consultation, and I'm very concerned about it. So I just wanted to associate myself with Senator Shaheen's comments. Thank you, Mr. Chairman.

Senator SHELBY. Senator Kirk.

Senator KIRK. Secretary Pritzker, Penny, I wonder if I could raise an issue with you about OSI, one of our largest food processors in Illinois, who has had problems with the Chinese Government. I know you may have raised these issues at the JCCT, which you graciously held in Chicago.

Secretary PRITZKER. Senator, let me tell you. I did speak at the highest levels about OSI to the Chinese Government. We are following this case very carefully to make sure that OSI is being treated fairly. There have been some positive signals that we have received, and so this is something that's high on our priority list to follow.

Senator KIRK. Thank you. Thank you, Mr. Chairman.

Senator SHELBY. Senator Murphy.

Senator MURPHY. Thank you very much, Mr. Chairman. Welcome, Madam Secretary.

Secretary PRITZKER. Thank you, Senator.

FISHING REVISITED

Senator MURPHY. I wanted to follow up on questions regarding New England fishing. In Connecticut, our fishing industry has been decimated. We were largely a shellfish economy along the shoreline. And as our lobsters have moved northward to Maine, we have struggled to figure out how we replace that capacity. But aquaculture has been a part of that, and we've had some real encouraging developments regarding new technologies through which we're able to harvest some pretty serious new amounts of oysters and other native species through the sound.

We have a lab in Milford, Connecticut that gets about \$3.4 million in Federal funding along with lab in Manchester, Washington. These are the two facilities that house NOAA's shellfish research. That's an industry that, right now, even with the declines, produces about \$30 million for Connecticut along.

I just wanted to make sure that there's still going to be a commitment to this aquaculture research, both in Connecticut and in Washington. We're seeing real progress and real gains because of that funding, and it's important to us that that commitment continue.

Secretary PRITZKER. I appreciate that. And as far as I know, there's no change. But I will make sure and confirm that.
[The information follows:]

Question. Aquaculture and Milford Lab.—We have a lab in Milford, Connecticut that gets about \$3.4 million in Federal funding along with lab in Manchester, Washington. These are the two facilities that house NOAA's shellfish research. That's an industry that, right now, even with the declines, produces about \$30 million for Connecticut. I just wanted to make sure that there's still going to be a commitment to this aquaculture research, both in Connecticut and in Washington. We're seeing real progress and real gains because of that funding, and it's important to us that that commitment continue.

Answer. Yes, that commitment will continue. Science is essential to supporting aquaculture expansion in an intelligent and sustainable manner, and NOAA supports U.S. aquaculture development in part through world class research. It is clear from past experience both at home and abroad that poorly sited or managed marine aquaculture operations can have negative impacts to the marine environment. But with sound scientific advice and science-based tools, it is possible to avoid such potential impacts and allow for the industry to grow in environmentally and economically sustainable ways.

NOAA's aquaculture science portfolio comprises complementary and coordinated efforts in three NOAA line offices. Together these efforts are critical to achieving the administration's goal of supporting sustainable marine aquaculture. NOAA Fisheries focuses on developing science-based "tools for rules" to help inform permitting and other regulatory decisions, as well as working with industry partners on a range of topics such as hatchery techniques and disease management. The NOAA National Ocean Service develops coastal planning and management tools and services. The Sea Grant program at NOAA's Office of Oceanic and Atmospheric Research provides grants to external partners for industry development, as well as technology transfer and extension. These efforts and those of other Federal agencies (e.g., USDA) are coordinated under the 2014 The Strategic Plan for Federal Aquaculture Research, published with NOAA's assistance and leadership by the White House's Office of Science and Technology Policy.

Two laboratories house the bulk of NOAA Fisheries' aquaculture science portfolio—the Northeast Fisheries Science Center's Milford, Connecticut lab; and the Northwest Fisheries Science Center's Manchester, Washington lab. Milford has traditionally been a shellfish aquaculture lab (e.g., siting tools, disease management, and ecosystem services) and Manchester has been a finfish aquaculture lab (e.g., feeds development, finfish hatchery and growout methods). However, there is growing coordination and collaboration in certain areas such as some aspects of feeds research.

NOAA's science, regulatory, and outreach activities have made a substantial and measureable impact on the sustainable development of marine aquaculture and related jobs, especially in the northeast. From Virginia to New England, aquaculture has grown significantly over the past several years, with booming production of shellfish leading the way. Aquaculture in the northeast has grown to be the third most valuable fishery in the region, behind only lobster and scallops and roughly three times the value of the groundfish fishery. All indications are that, with continued support, there will be additional growth, providing more domestic seafood and jobs.

NATIONAL NETWORK FOR MANUFACTURING INNOVATION

Senator MURPHY. And then if I could just ask a second question on the National Network for Manufacturing Innovation. I know you made reference to this in your prepared testimony. I'm so glad that we're continuing to expand this program. I think it's absolutely transformational. It's discouraging to us in the Northeast, which is the most densely populated part of the country, that with five centers, and not yet one has found its way to our neck of the woods.

You, I think, in your testimony said that you were going to be guided by industry in terms of what the focus should be. I would love for you to expand on how your process is going to occur, so that we can make sure that industries in the Northeast, the aero-

space industry, I would argue, at the top of the list, get a fair shot at making their case.

We really believe that, as you have this tsunami of aerospace purchasing coming, both from the private sector and the public sector over the course of the next 10 years, that if we are innovating at a pace that's fundamentally different than other competitors, that we can gain a greater lion's share of that work. So we believe that an aerospace focused manufacturing innovation center should be one of the next that's authorized.

But if you could just share how we can get the best input into your process of decisionmaking, I'd appreciate it.

Secretary PRITZKER. Well, obviously, at the time that the competitive process would be run, it would be open, transparent, and a broad request for proposals. That process will be dictated by NIST, as they are really our expert at taking things from lab to market, and they've been preparing for how to run these types of competitions. But I can get to your staff kind of the specific processes that they will use. And I appreciate the value of the aerospace industry, and I'm sure it's one that's high on the list of priorities.

Senator MURPHY. It's a moment in time where, if we capture the best available technology, there's a mountain of work to be had. And we used to just have a natural competitive advantage over the rest of the world that is declining, decreasing as time goes on.

Finally, just to use my last 30 seconds of so, it's my first opportunity to be a member of this subcommittee and to have you testifying in front of us. I just want to tell you how excellent your staff is in Connecticut. Anne Evans runs the local office, and if she had two or three more people, she could be creating hundreds, if not thousands, more jobs, just to make an advertisement for the scope of your personnel in our states.

When you have good people on the ground doing outreach to especially these small and medium sized businesses that have no idea how to compete globally if not for the expertise you lend, the power, the multiplication of business that your presence creates is pretty substantial. So please, pass my thanks along.

Secretary PRITZKER. Thank you very much. And Senator and Mr. Chairman and Madam Vice Chairman, one of the things I have asked our ITA to do is to do a review of the effectiveness of our U.S. Export Assistance Centers and our Foreign Commercial Service.

As the success of more and more of our communities around our country depend upon exporting, I want to come back to you with a report as to where I think it would make sense for us to do more, because we do get this kind of response as to the effectiveness, particularly for our small and medium size businesses, which are so important to everyone's States.

[The information follows:]

The Department looks forward to working with the Congress on a funding profile for our export assistance program which ensures that U.S. small and medium sized businesses are on a strong competitive footing internationally. The Department is currently assessing our domestic and international capacity for meeting this goal and will provide any new information concerning the proposed direction of this effort at the appropriate time.

Senator MURPHY. Thank you.

Secretary PRITZKER. Thank you.

Senator SHELBY. Senator Capito.

Senator CAPITO. Thank you, Mr. Chairman. And since this is my first hearing of this subcommittee, I want to extend to you and the Ranking Member congratulations. I look forward to working with both of you, and I'm very honored to serve on the subcommittee.

HERBERT C. HOOVER BUILDING RENOVATION

Madam Secretary, thank you for having the freshman class down to your building, which when you mentioned in your opening statement that you wanted to modernize, I think you'll get all of us to agree, that's probably a good idea. It was beautiful in the library, but as you explained to me, this is as good as it gets.

Secretary PRITZKER. Right.

BROADBAND ACCESS

Senator CAPITO. So anyway, I appreciate that. A recent study by the FCC indicated that 56 percent of West Virginia residents do not have access to broadband services that meet the FCC benchmarks. In rural areas in West Virginia, it's as high as 74. It is the worst in the Nation. And I don't claim that as a source of pride, either. But I don't need a study to understand this. I mean, when I'm seeing constituents driving around, there are small businesses and individuals and residents who absolutely are hamstrung in terms of being able to get broadband in West Virginia.

Within your department, the National Telecommunications Information Administration recently released a study talking about the economic benefits of broadband access in terms of increased economic output and higher levels of employment. Understanding how these funds are spent, I think we find ourselves, in our State, in a bit of a quandary, because there are many states that have access, and so what they want now is faster, broader, bigger capacities when there's still parts of the country, and particularly where I live, where we're still not even getting a minimal standard.

And so if you're looking at allocating funds and emphasizing where you're going to place your real strength in terms of dollars, I think that presents a—not controversy, but you have to make decisions. So I guess I would ask you, how are you looking to help build out those areas that are underserved and still lacking in access? And are there any programs that you're developing that will target these areas, particularly the rural areas, because that's what's left, the more sparsely populated areas, which do not meet the national average for access?

Secretary PRITZKER. So Senator, NTIA used to have grant money under the BTOP program, which actually exceeded our goals and put about 113,000 miles of broadband networks down in the United States and connected schools, libraries, I think 25,000 schools, libraries, health facilities.

Those funds have been spent. I think they were appropriated in 2009 and 2010. And so now what we're doing is, we're talking the expertise that we have, and we're working with communities, such as the ones that you're talking about in West Virginia, on technical assistance. And in fact, I went out to Cedar Falls, Iowa with the

President to look at what communities can do to bring state of the art—they have one gigabyte of broadband——

Senator CAPITO. That's what we have.

Secretary PRITZKER. Which is equivalent to the best in the world, one gigabyte.

Senator CAPITO. Oh, no, we have——

Secretary PRITZKER. No. You've probably got one megabyte or something.

Senator CAPITO. One megabyte.

Secretary PRITZKER. Right. Exactly.

Senator CAPITO. I'm getting my megas and gigas mixed up.

Secretary PRITZKER. I'm right there with you. But basically, we're working with communities to how can they come up with plans to actually do broadband themselves. And so we're using our technical expertise to help them.

And Cedar Falls was able to borrow the money and pay it back in 5 years by virtue of putting in this broadband access. And in fact, what they're hoping to do is do more in more parts of their State. So I've seen where communities can kind of take the reins in the own hands and really improve their access to broadband, which we know is so critical for not just economic prosperity, but for education and for communication and for safety.

Senator CAPITO. Well, thank you. And I hope that we can work together to try to meet this challenge.

Secretary PRITZKER. Absolutely.

Senator CAPITO. Lastly, I would say, your department, through NOAA, has quite a substantial infrastructure investment in Fairmont, West Virginia, and we're very, very happy about that. The I-79 Technology Park, which has your backup data system, I would just like to put a plug in for expanding your footprint in that area. You already have made quite an investment. The park is the location for the backup ground stations for your GOES-R Series and your JPSS satellites.

Secretary PRITZKER. Oh, terrific.

Senator CAPITO. Yes. And I know it's not complete, but I think there will be excess capacity there, we are told, not just as your backup data center, but there will also be some possibilities for growth. I'd like to work with you to try to grow that footprint.

Secretary PRITZKER. We would be delighted to work with you.

Senator CAPITO. All right. Thank you so much.

Secretary PRITZKER. Thank you.

Senator SHELBY. Thank you, Senator. We'll go into a second round, Madam Secretary.

THE CENSUS

The Department of Commerce has the responsibility, as you well know, to administer a constitutionally mandated census every 10 years. The 2016 budget request that I mentioned in my opening statement includes a significant investment in enterprise computer system that will help not only the Bureau's annual statistic activities, but will be scalable in order to accommodate the activities of the upcoming 2020 Decennial Census.

Having an enterprise system that can serve the data collection backbone of the Bureau holds great promise for both cost reduction

and efficiency. If this new computer enterprise were to fail, we could see costly impacts across the Census and the Department. We've been there before. This comes at a time when Census currently only has, as I understand it, 17 of 34 of its own 2020 Census requirements base-lined.

The question is this, Madam Secretary. What is the Department of Commerce doing to ensure that this system, a CEDCaP will not become another costly technological setback that could potentially endanger all of the other data collection activities at the Census? You have a lot of that.

Secretary PRITZKER. Senator, you know, CEDCaP is a very important endeavor, because what we need to do is bring together I think it's 14 different systems in order to streamline the way that we do the Census. So it's a system of systems. So why should we have any confidence that we can do this?

First of all, it's something that we are working on the development of CEDCaP at this time. We have to test it. I know this from my private sector experience, Senator. I ran a company that was a complete bits and bytes company, and we did a total systems transformation, and I know how perilous those can be. This has enormous attention and profile within our department. We are very focused on this, not just at the Census level, but in the Office of the Secretary and with our Chief Information Officer for the entire department.

But the way one does these types of systems is you have to chunk them out, and you have to test them as you go, so that you don't have one big moment, whether it either works or doesn't work. And that's why it's so important that we get funded for fiscal year 2016, so that we can do, I keep harping on this, and you'll hear me say this, testing, testing, testing. Because we need to know that the opportunity, to not just put a system in place but to run the Census at cost of \$13 billion rather than a cost of \$18 billion, is one that's achievable.

And as a steward of the taxpayers' dollars, this is extremely important to me. But we have to invest in order to save that money, because we have to test to know these systems will be reliable, because we're held accountable for an accurate census, and that's something we take near and dear to our hearts as our core responsibility.

Senator SHELBY. I know you bring a lot of private sector experience here, but failure can't be an option here. It wouldn't be in the private sector. The business would be gone, would it not?

Secretary PRITZKER. I hear you, and I have been in this situation before in the private sector where failure is not an option as you transfer systems in. So therefore, we bring a very disciplined approach to this.

FISHERIES

Senator SHELBY. Absolutely. Appreciate that. I want to get back into fisheries. We've been talking about it from every perspective. The Department has the important responsibility of managing our Nation's fisheries through the National Marine Fisheries Service. Regulatory decisions which are based on fishery stock assessment data, getting back to your database, can significantly affect com-

mercial and recreational fishermen and cause economic harm and disruption when the data is erroneous.

For example, Madam Secretary, last year, a Federal judge ruled that the Department mismanaged the red snapper fishery industry in the Gulf of Mexico. The result was a nine-day red snapper season. Nine days, down from 40 days the year before. Well, it's needless to say, the shortened season was very disconcerting to me and to thousands of fishermen in the Gulf, especially around Alabama, Mississippi, and Florida.

New technology may facilitate better decisionmaking to allow more days at sea for our fishermen. While I'm pleased to see the Department taking steps to use new technology, I'm concerned that the program is not moving fast enough.

My questions are these. How is the Department prioritizing the use of new technology, such as electronic monitoring and reporting, to better understand and manage our Nation's fisheries? And the second question is, what is the biggest obstacle facing your department, the Department of Commerce, on the timely transition to electronic monitoring and reporting for fisheries.

Secretary PRITZKER. Thank you for your question. First of all, the fact that the red snapper stock is rebuilding is one that we're very pleased with, and getting the allocations right in terms of who has access to fishing and for how long is something that's extremely important to us. I'm not familiar with the specific case you talked about, but I will look into that. Making sure that we get that right is a high priority.

As it relates to electronic monitoring of fisheries, we have asked for \$7 million to continue to find new ways to accurately monitor fisheries. In terms of your question as to what are our obstacles, one is more work needs to be done to know whether this is accurate. You just talked about being accurate. What's most important is that we figure out that these technologies are actually accurate.

And we've run some pilots. We've asked for money in the \$7 million to support pilots in different parts of the country to make sure that this is something that's accurate, because there are real consequences, the finding, as you said, of electronic monitoring. And we want to make sure that we can both maintain our healthy fisheries for generations to come but also have our commercial and recreational fishing industries can be healthy and reliable.

Senator SHELBY. Well, I know myself that a lot of people on the Gulf are pretty good at all this, have shown me how large the snapper have gotten.

Secretary PRITZKER. Huge.

Senator SHELBY. Because they've gotten so big, and there's so much of them, we want an accurate count, because this is very important to a lot of us on the Gulf.

Secretary PRITZKER. I appreciate that, and I understand the challenge.

NOAA RESEARCH VESSELS

Senator SHELBY. My last question to you, I hope it'll be my last, has to do with the new ocean research vessel. The 2016 budget request for the National Oceanic and Atmospheric Administration includes \$147 million for a new ocean going research vessel to sup-

port the agency's operations. The agency needs a new ship, because the fleet is aging, as you pointed out.

Out of 16 large vessels, and I believe you mentioned this, only 6 are operating within their design life. Three of the 16 ships are well past their prime, including the oldest ship in the fleet, the Oregon II, which operates out of the Gulf Coast. Aging ships not only create operational shortfalls with low sea days, they also pose safety concerns for the crew and scientists working aboard.

I'm not sure how many people realize this problem at the Department. The 2016 request for this new ship seems like a one-time ask and lacks context about the overall need for the whole major ongoing ship construction, the whole program.

My question is this. This subcommittee has asked for, but has not received yet, a new fleet recapitalization plan, which was last updated in 2008. When will the administration provide this plan to the Appropriations Committee?

Secretary PRITZKER. Senator, I commit to you that we will put that plan together. I think it's being progress.

Senator SHELBY. And it's important to hear, because—

Secretary PRITZKER. But absolutely, the idea of—we have 8 of our 16 ships that absolutely need to be replaced over the next 12 or 13 years, and so there is a plan in terms of the scope of what we need to do. More specifics, I will get to you and your staff.

[The information follows:]

Question. NOAA Fleet Capitalization Plan.—My question is this. This subcommittee has asked for, but has not received yet, a new fleet recapitalization plan, which was last updated in 2008. When will the administration provide this plan to the Appropriations Committee?

Answer. NOAA's Fleet Composition Report (2012–2027) is currently under Administration review; however, I do not have a specific time line in which it will be available. This report, outlining recommendations for recapitalization, was coordinated with the overall Federal fleet. NOAA convened the NOAA Fleet Advisory Committee, a group of external experts from other Federal agencies involved with the management of at-sea assets, which was charged with providing advice and guidance to help the NOAA team shape strategies for the future of the fleet. Specifically, the committee reviewed and provided input on each stage of the effort including the overall approach, requirements validation process, technology infusion analysis, business process improvements, and internal and external communication plans. Committee membership included representation from the U.S. Navy, U.S. Coast Guard, National Science Foundation, Bureau of Ocean Energy Management, Environmental Protection Agency, and University-National Oceanographic Laboratory Systems.

NOAA is requesting \$147 million in the fiscal year 2016 budget for the construction of a new Ocean Survey Vessel (OSV). This request is based on a robust Requirements Validation Assessment and analysis process that built upon the 2008 recapitalization plan.

Per the Federal Oceanographic Fleet Status Report, released May 2013 by the National Ocean Council, the Federal oceanographic fleet will experience a 50 percent decline in the number of active vessels by 2026 without further modernization. Without an investment, NOAA estimates that its fleet will decline by 50 percent from 16 to 8 active ships between fiscal year 2016 and fiscal year 2028.

Senator SHELBY. Okay. Will the contract for the ship construction be awarded through open competition?

Secretary PRITZKER. It would be awarded, yeah, I believe so. Yes. Yeah, absolutely.

Senator SHELBY. Thank you.

Secretary PRITZKER. I don't know any reason why it isn't.

Senator SHELBY. Thank you a lot. Senator Coons.

Senator COONS. Thank you.

Senator MIKULSKI. Excuse me, Senator Coons.

Senator COONS. Yes, ma'am.

Senator MIKULSKI. Madam Secretary, I'm needed at the Capitol, because of the Homeland Security.

Secretary PRITZKER. Yes.

Senator MIKULSKI. We're going to follow up. Thank you for the great job you're doing. And aren't we proud of these new members and how engaged they are?

Secretary PRITZKER. Absolutely.

Senator SHELBY. Thank you.

Secretary PRITZKER. Thank you.

Senator SHELBY. Thank you, Senator Mikulski. Senator Coons.

MANUFACTURING

Senator COONS. Thank you, Chairman Shelby and Vice Chair Mikulski. As you well know, Madam Secretary, I'm an enthusiast for manufacturing.

Secretary PRITZKER. Yes.

Senator COONS. And look forward to continuing to work with you on promoting manufacturing nationally. Last October, I participated in Manufacturing Day, touring a variety of manufacturing plants up and down my State, and was joined by NIST director, Dr. May, and associate director, Dr. Singerman, and we had a great time visiting Air Liquide, and PPG, and Hirsh Industries. And I'm just grateful that you and your department and its leadership have been so engaged in all the challenges and issues facing manufacturing.

One of the things we saw that day was the real challenge in the reputation that manufacturing has with young people, getting guidance counselors and parents to recognize that modern manufacturing is cleaner, more advance, higher paying, uses a wider range of skills than the manufacturing of 20 or 30 years ago.

So first, I'd love your input on what we're doing together and what more we could do to help persuade young people that manufacturing jobs are fundamentally different and ensuring that they are engaged and attracted to it as an option, and that we're investing enough in their skills.

And related to it, is the MEP, the Manufacturing Extension Partnership, I'm pleased your budget request is at \$141 million. I think it's a tremendous and effective program. It's had a big impact up and down my State, and they typically generate three dollars for every one Federal dollar. There have been some challenges in my State in terms of raising the match, and I would be interested in your thoughts about whether or not the MEP match ratio is too high.

It has prevented them from working with some smaller businesses, some more rural companies that had difficulty raising the match. MEP charges fees in order to get the match. And in my view, that cost share may actually be defeating the broader purpose, which is to deliver timely and efficient and effective interventions that promote exporting, promote hiring, promote growth for the small and medium manufacturer.

So if you'd answer those two questions on manufacturing, we'll move onto one other topic.

Secretary PRITZKER. Certainly, Senator. In terms of the image of manufacturing and what are we doing about both the image and skills acquisition, as you know, I've made skills a priority for the Department of Commerce. In terms of the image of manufacturing, Manufacturing Day is only one day. We had 50,000 young people go through. I think we doubled the number of companies. Over 1,500 companies opened their doors in their communities and had kids and their families. And most importantly their guidance counselors visiting modern manufacturing plants so they could understand what is a career today in the 21st century and manufacturing in the United States of America.

I do think it's misunderstood. It's something both the Advanced Manufacturing Partnership that the President oversees and I'm a part of, as well as the Manufacturing Council that reports to me at the Department, are focused on a number of initiatives to improve the image of manufacturing.

In terms of the MEP match, we are in the middle of recompeting our MEP relationships around the country. We just did ten of them. We changed the match from two to one to one to one for exactly the reason you're talking about. The small and medium size companies were struggling to be able to take advantage of the much needed services that MEP offers to help them garner 21st century processes and capabilities that keep their companies globally competitive.

INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS

Senator COONS. Let me ask about a very different field for a moment, if I might, which is ICANN. When I was in the private sector, I did some work around web domains and website acquisition and control. We had a trademark, the company I was in, that had been inappropriately taken over as a web domain by a company with no relationship to it. And I got involved in this, this was a long time ago, and was struck how, at that point, NTIA was playing a critical role in oversight of ICANN, excuse me, the Internet Corporation for Assigned Names and Numbers, which I think is widely known to the small community of people who pay a lot of attention to this.

And I'm frankly very concerned that there is a proposal to transition ICANN completely away from Commerce Department oversight and management. And I just want to make sure that ICANN is really prepared to make that transition and will have adopted some core key principles about protection from government capture, budgetary restraint, and a separation of functions. And this is something I wrote to you about back in December and cosponsored a resolution that passed the Senate, calling for these reforms before there is any transition. I just wanted to make sure that I had your sense of whether you thought these reforms were important to complete before there's any movement towards it.

Secretary PRITZKER. Well, Senator, I share your concern. I think the transition, the IANA transition, is one that's important, because there are downsides for our engagement there. Having said that, making sure that ICANN can responsibly continue to carry out that function, making sure that it is multi-stakeholder managed and driven, making sure it meets the needs of customers and

in a timely and efficient manner, and that we remain a free and open Internet, all of those are priorities.

We are awaiting proposals. We're not in any rush. We're working very carefully with ICANN, but we're waiting for proposals as to how they can make sure they would satisfy all those performance requirements, and also proposals for how they will improve the accountability of ICANN, so that there cannot be what I call a hostile takeover of the board of ICANN.

HERBERT C. HOOVER BUILDING RENOVATION

Senator COONS. Good. Please. I'm very concerned about that, and I'm glad you're moving deliberately. As we're talking about performance, just on a side point, part of your budget request is \$24 million for renovating the somewhat dated Commerce central office and headquarters buildings. And I just wondered whether you had looked at an Energy Services Performance Contract, or an ESPC, as a mechanism for achieving savings in a way that is, I think, creatively and appropriately financed.

I used ESPCs both in county government and in the private sector, and I'm joining with Senator Gardner in trying to make sure that the Federal Government is able to take advantage of this as an opportunity. I see several heads nodding behind you vigorously.

Secretary PRITZKER. Yes. Yes, we have.

Senator COONS. So I'm glad to know that you've taken a hard look at that.

Secretary PRITZKER. Senator, one of the things that we're doing, I think the theme of our budget is about invest to save. When I arrived, as you know, one of my business endeavors prior to this was being in the real estate business. We do not efficiently use our building as it is. One of the things that we are doing is—and we brought in Gensler to help us to look at how we use our space, because the modeling plan that was in place was one that was really just fix the heating and cooling and electrical and put it back the way it was. That makes no sense in the 21st century.

So we actually took part of the space that was, at that time, under renovation, and have created a pilot that we're now going to replicate throughout the building that's much more of what I would call open space contemporary office usage. It's far more efficient.

And the other thing that we're trying to do is do the renovation in fewer chunks, because this was going to go out over decades, and get it done more quickly. It will allow us to give more of our space back and to have it be used for other purposes and to use the space more efficiently, but also provide an environment that's effective and efficiently, and allows us, frankly, to attract talent, which is an issue that we've got in an 80-year old building. People walk in, they don't want to work there. And so that's a challenge that we've got.

So what we're trying to do is, this is not just about fancying up our space. This is about making it more productive for the American taxpayer.

Senator COONS. Thank you. I have two other questions I'll just reference briefly, and perhaps my office will submit them record. I'm trying to be respectful of the Chairman's time.

First, as the lowest mean elevation State, Delaware has great concerns as to why about a resiliency and planning. We've just had evidence that the sea level rise of the last few years was unexpectedly significant in the Mid-Atlantic and Northeastern states. We face both subsidence, which is the natural geologic movement down of the part of the coast that we're on, and a rise of sea level. I'm just wondering what NOAA's budget might provide for coastal resiliency.

Last, hubs. The National Network for Manufacturing Innovation, as you know, I was bitterly disappointed Delaware was not selected for the last competition but remained very enthusiastic about it programmatically. I think it is a tremendous investment for the American people, a wonderful model for promoting and accelerating innovation, and would welcome any brief comments you care to make about how that will move forward and how that will continue to accelerate innovation and manufacturing.

Secretary PRITZKER. Well, as for resiliency, our budget calls for expenditures at NOAA to provide resiliency products to states and local governments as well as to the private sector. There's enormous demand for products to understand what is happening with the rise of sea level, with drought, with different changes as a result of what's going on both with our weather as well as with our climate.

In terms of NNMI, we have proposed in our budget that we will both create the network of the existing and to be planned manufacturing institutes which is called for in the Revitalize American Manufacturing and Innovation Act (RAMI) legislation that was passed at the end of last year. That's a \$10 million budget item.

And then we've asked for \$70 million each for two different institutes that their unique characteristic would be from the other institutes—obviously, these remain institutes that bring together the private sector as well as all the various stakeholders, including universities and the community colleges and the supply chain. But these would be technologies chosen or proffered by the private sector as opposed to by government as the most technologies, would be the ones that we would want to focus on.

Senator COONS. Terrific. Madam Secretary, thank you for your service and leadership. Mr. Chairman, thank you for your forbearance with my questions.

ADDITIONAL COMMITTEE QUESTIONS

Senator SHELBY. Thank you, Senator. If there are no further questions, and I don't believe there are this morning, Senators may submit additional questions for the subcommittee's official hearing record, and we'd request a Department of Commerce response to those questions, if there are.

Secretary PRITZKER. Absolutely.

Senator SHELBY. Madam Secretary, thank you for appearing today before the subcommittee.

Secretary PRITZKER. Thank you.

Senator SHELBY. We look forward to working with you. And we've requested a lot of information, that I'm sure you will make sure it's forthcoming.

Secretary PRITZKER. Absolutely.

Senator SHELBY. Thank you.

Secretary PRITZKER. Mr. Chairman, thank you very much.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. PENNY PRITZKER

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

CYBERSECURITY

Question. The Commerce, Justice, and Science (CJS) Subcommittee strongly supports and continues to prioritize cybersecurity initiatives at the Department of Commerce. However, despite the subcommittee providing funds for critical cybersecurity upgrades, the Inspector General has found persistent deficiencies that make the Department vulnerable to cyber-attacks.

How would the Department's fiscal year 2016 budget request specifically address cybersecurity concerns outlined by the Department of Commerce Inspector General's written testimony to this subcommittee?

Answer. The Department's fiscal year 2016 request supports concerns expressed by the Commerce Inspector General by:

- Replacing outdated equipment and software tools with new software tools and more capable sensors on the Department's networks. These will be connected to the Commerce Computer Incident Response Team (DOC-CIRT) and computer security monitoring teams, resulting in enhanced detection and mitigation of cyber threats and vulnerabilities.
- Adding watch officers and cyber forensic experts to our DOC-CIRT.
- Adding skilled cyber contractor support for conducting the supply chain risk analyses mandated by Section 515 of Public Law 113–235.
- Establishing the Department-wide trust identity management solution, which will increase the overall security posture of the Department's data and systems.

Question. How would the fiscal year 2016 request help expedite and sustain Department-wide cybersecurity initiatives, such as the Enterprise Cybersecurity Monitoring and Operations (ECMO) and the Enterprise Security Oversight Center (ESOC) initiatives?

Answer. The fiscal year 2016 request would accelerate the capability to provide relevant computer data feeds from Commerce Headquarters to the Enterprise Security Oversight Center (ESOC). The request additionally supports the ability to provide real-time access to the Enterprise Cybersecurity Monitoring and Operations (ECMO) data which provides the current cyber risk profile and status of Commerce information technology assets, both hardware and software.

Commerce will continue to leverage the Department of Homeland Security's Continuous Diagnostics and Monitoring (CDM) program to deploy and integrate additional capabilities.

Question. What cybersecurity deliverables can the Department highlight from fiscal year 2014 and fiscal year 2015, that best justify the top cybersecurity-related items included in the Department's fiscal year 2016 request?

Answer. In fiscal year 2014, Commerce reached deployment of 85,564 ECMO client systems and initiated the ESOC project. As of March 2015, ECMO client systems deployment has reached 92,202. The ESOC project is a joint venture established between the Commerce Office of the Chief Information Officer (OCIO) and the National Oceanic and Atmospheric Administration (NOAA). The ESOC began functional operations September 2014 and led the Department's response to the Shellshock vulnerability.

In Q4 fiscal year 2014, Commerce conducted the first set of supply chain risk assessments for acquisitions targeted for installation on Commerce owned and operated National Security Systems and Federal Information Security Information Management Act (FISMA) High-impact systems.

In Q1 fiscal year 2015, the ESOC achieved initial operating capability by establishing basic security operations tools and network connectivity from our NOAA-partner site. This capability includes the ability to automatically share indicators of compromise across the Department and ability to ingest cyber security intelligence feeds into the ESOC security event information management system. The ESOC will be fully staffed in early Q3 and will begin 24x7 operations by the end of Q3 fiscal year 2015, significantly increasing the ability of the Department to rapidly detect and identify cyber security threats and incidents.

Effective January 1, 2015, the Department implemented policy requiring all operating units to centrally report all cybersecurity incidents via the Commerce Computer Incident Response Team. Previously, several bureaus independently reported computer incidents to US-CERT. This previous policy left the Office of the Secretary unaware of some incidents.

In February 2015, the Department reached 100 percent compliance in its implementation of Domain Name System Security Extensions (DNSSEC).

NOAA VESSEL

Question. The Department proposed \$147 million for construction of a new NOAA vessel in its fiscal year 2016 budget request. While I am concerned with the future of NOAA's fleet potentially losing half between now and 2028, this subcommittee finds it difficult to justify supporting such a large capital expense without a plan from the administration to address the broader issue. In order to provide adequate and fiscally responsible funding for NOAA to update its fleet, this subcommittee needs the Department to provide context and a proposed path forward to ensure critical mission work, such as ocean floor mapping and fisheries management, is not put at risk.

When will the administration be in a position to provide this subcommittee and Congress with NOAA's future fleet recapitalization requirements, including vessels that are planned to be taken out of service and vessels or technology planned for their replacement, similar to the information that was provided in the 2008 NOAA *Ship Recapitalization Plan*?

Answer. The request in the fiscal year 2016 President's budget of \$147 million for the construction of a new Ocean Survey Vessel (OSV) is based on a robust requirement validation and analysis process and supports several NOAA missions.

NOAA also continues to work closely with the NOAA Fleet Advisory Committee, a group of external experts from other Federal agencies involved with the management of at-sea assets. Committee membership includes representation from the U.S. Navy, U.S. Coast Guard, National Science Foundation, Bureau of Ocean Energy Management, Environmental Protection Agency, and University-National Oceanographic Laboratory Systems.

Per the Federal Oceanographic Fleet Status Report, released May 2013 by the National Ocean Council, the Federal oceanographic fleet will experience a 50 percent decline in the number of active vessels by 2026 without further modernization. Without an investment, NOAA estimates that its fleet will decline by 50 percent from 16 to 8 active ships between fiscal year 2016 and fiscal year 2028.

NOAA is currently analyzing its current and future fleet capabilities to ensure that its mission critical priorities are addressed in the most cost-effective and efficient manner, and we will use this information to guide future fleet investments. This challenging but important exercise will help us develop the best path forward in support of core work such as ocean floor mapping and fishery management, and we will share some of the results of that exercise when they become available.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

ARCTIC POLICY

Question. Last year, I began almost all budget hearing with a question on the Arctic, and I will be doing so again this year. In April, the U.S. assumes the chairmanship of the Arctic Council, and beyond the issue of climate change, it is not clear to me what our national strategy in the Arctic is. Searching through your budget documents, the term "Arctic" only appears a handful of times, and is mostly in reference to oil spill response and studying the effects of "human-induced change on Arctic ecosystems." The Commerce Department's jurisdiction is so much broader than this, so I hope this is not all your department is doing in terms of Arctic policy.

Please tell me what are the specific Arctic priorities of the Department of Commerce?

Answer. The Administration's 2013 National Strategy for the Arctic Region (hereafter, *Strategy*) (<https://www.whitehouse.gov/blog/2013/05/10/national-strategy-arctic-region-announced>) and the priorities developed for U.S. Arctic Chairmanship of the Arctic Council are the latest statements of U.S. policy in the Arctic, and all actions by Department of Commerce agencies fit within the goals and tenets set forth in these documents. Within Commerce, NOAA is the primary agency that executes the priorities set forth in the strategy. To support the strategy and provide NOAA scientists, stakeholders, and partners a roadmap to make shared progress, NOAA

developed the 2014 Arctic Action Plan (<http://www.arctic.noaa.gov/NOAAarcticactionplan2014.pdf>).

In support of the Strategy and the NOAA Action Plan, NOAA is working on:

- filling gaps in Arctic weather/sea ice observations, forecasts and warnings;
- improving understanding of climate impacts on biological resources; and
- improving navigation services.

Question. In your role as Secretary of Commerce, what are your directives to the agency in terms of Arctic policy?

Answer. The Department of Commerce supports the National Strategy and our work in the Arctic region fits within that strategy to better position the United States to respond effectively to emerging opportunities while simultaneously pursuing efforts to protect and conserve this vast, valuable, and vulnerable region. Our work in the Arctic Region establishes the foundation for U.S. Arctic development in support of

- advancing our security interests;
- pursuing responsible Arctic region stewardship, and
- strengthening international cooperation.

Question. What, if any, focus does the agency have on better understanding the Arctic and growing our Arctic infrastructure?

Answer. The Department, mainly through NOAA, is actively engaged in the Arctic, providing science, service, and stewardship to this rapidly changing region, its inhabitants, and the Nation. Through its broad range of activities, NOAA is well prepared to make significant contributions, to the extent possible within existing resources, to all three lines of effort in the national strategy.

Advancing U.S. security interests in the Arctic requires improved maritime domain awareness for which NOAA's weather and sea ice forecasts are critically important. NOAA's sea ice research strengthens forecasts of both ice and weather conditions and improves understanding of the links between sea ice and climate. As a result of this research, the complicated linkages among melting sea ice, changing climate, and weather patterns in the Arctic and around the globe are becoming more apparent, allowing for better planning to cope with and capitalize on Arctic change.

NOAA plays a key role in *pursuing responsible Arctic region stewardship*. Foundational science enables better understanding of Arctic ecosystems, the atmosphere, climate, and their dynamic interconnections. NOAA's fisheries research and management programs are likewise vital, particularly for the economically important U.S. Bering Sea fisheries. Research and stewardship of marine ecosystems and protected species like marine mammals promote sustainable use, conservation, and protection from potential impacts of offshore development, increased shipping, and environmental degradation. NOAA provides important services to coastal communities by improving safe Arctic maritime access with mapping and charting, as well as increasing preparedness and communities' resilience to intensifying weather. NOAA is also an important partner in hazard response and mitigation (e.g., providing scientific support to the U.S. Coast Guard after oil spills). Research relevant to oil spills, sea ice, and marine ecosystems will help to prepare for and protect against potential environmental disasters in the Arctic.

All of NOAA's Arctic activities are united in one aspect: *leveraging national and international partnerships and collaborating to support common Arctic goals*. NOAA works collaboratively through the Arctic Council on joint research opportunities, and provision of services. NOAA also has many successful Arctic national partnerships, within and outside the Federal Government. Existing partnerships will be strengthened and new ones developed in the coming years as NOAA continues its work to address the Nation's challenges in the Arctic.

Specifically in terms of infrastructure, NOAA is engaged in the following:

- assessing Arctic maritime infrastructure gaps in conjunction with the U.S. Committee on the Marine Transportation System;
- the National Telecommunications and Information Administration's Arctic telecomm assessment; and
- oil spill preparedness and response infrastructure enhancement efforts with the U.S. Coast Guard, the Bureau of Ocean Energy Management, the State of Alaska, and international partners.

NATIONAL STRATEGY FOR THE ARCTIC REGION

Question. Within the Administration's Implementation Plan for its National Strategy for the Arctic Region, the Department of Commerce is identified as the lead agency for four programs: Develop Communication Infrastructure in the Arctic (National Telecommunications and Information Administration); Conserve Arctic ecosystems (NOAA); Implement the Pilot Distributed Biological Observatory in the Pa-

cific Arctic (NOAA); and Chart the Arctic Region (NOAA). The Department is also designated as a support agency for a number of other projects.

What funding is included in your fiscal year 2016 budget request for the programs for which Commerce has the lead, as well as any other Arctic-related programs within your purview?

Answer. NOAA is the lead agency for three objectives in the NSAR Implementation Plan: Conserving Arctic Ecosystems, Implement the Pilot Distributed Biological Observatory in the Pacific Arctic, and Chart the Arctic Region. NOAA is a supporting organization for nearly two dozen objectives in the NSAR.

Work on the associated activities with agency partners is progressing within existing resources. In 2016, NOAA estimates \$110 million, including reimbursable funding, to continue to provide and develop products and services in support of its Arctic strategic goals (this includes funding transferred to NOAA for research needed by external partners). The largest share of NOAA Arctic funding is directed to supporting Arctic region stewardship, with substantial investments also being made to advance U.S. security interests and partnerships.

The fiscal year 2016 request proposes increases for

- arctic spill preparedness (\$1.3 million);
- implementing a distributed biological observatory to detect climate and human-induced change on Arctic ecosystems (\$0.9 million); and
- supporting northward development of NOAA's Arctic Observing Network (\$2.2 million).

RINGED SEALS

Question. First, I would like to thank you for the work you have done and the efforts NOAA has made to work with Alaskans and fisherman on Stellar Sea Lion restrictions. This is an example of the agency and Alaskans working together and I hope we can continue this in the future. By the same token, I would like to bring to your attention to what is happening right now with the Ringed Seal. It is outrageous for NOAA to propose critical habitat for the Ringed Seal that stretches 350,000 square miles, based on a 100 year weather prediction despite no sign of population decline and the Ringed Seal occupying its entire historical range. This proposed critical habitat will have very real impacts on the economic livelihood and survival of an entire region of Alaska, stretching from the border of Canada to the EEZ. The effects will span not only great distances, but through our State's fibers, from local recreation to subsistence lifestyles.

Secretary Pritzker, how can you justify such action despite the overwhelming lack of evidence supporting it and how much is the Agency proposing to spend on this proposal, including implementation of any current or future proposed rulemaking?

Answer. NOAA listed the Arctic subspecies of ringed seals as a threatened species under the Endangered Species Act (ESA), effective in February 2013. The primary threat to this species is the loss of suitable sea ice habitat, including ice with sufficient snow depth for the formation of lairs the seals use to give birth and nurse their pups. The best available scientific information indicates that the effects of habitat loss caused by climate change are likely to develop over the next 50 to 100 years.

The ESA requires that NOAA designate critical habitat for listed species. NOAA's proposed rule to designate critical habitat identifies three physical and biological features that are essential to the conservation of Arctic ringed seals: sea ice suitable for the formation and maintenance of the lairs (snow caves) used for sheltering pups during whelping and nursing, sea ice suitable as a platform for basking and molting, and primary prey resources to support Arctic ringed seals (Arctic cod, saffron cod, shrimps, and amphipods).

Arctic ringed seals have a wide geographic range and a broad patchy distribution. The sea ice they depend upon is spatially and temporally dynamic, changing throughout the months when sea ice is present. The area proposed for designation as critical habitat is large because NOAA did not have sufficient information to identify a smaller area, such as data on the distribution and relative abundance of ringed seals that might indicate habitat areas that contribute the most toward reproduction and pup survival. In the proposed rule NOAA solicited public comments on the areas to be identified as critical habitat and areas that should be considered for potential exclusion. NOAA is also having the proposal peer-reviewed by external scientists before we proceed with a final rule.

The process of designating critical habitat for Arctic ringed seals will likely cost NOAA about \$850,000 over the course of fiscal year 2013–fiscal year 2016, including costs for staff time, required economic analysis, legal review, and public hearings.

Section 10(e) of the ESA specifically provides for the taking of threatened or endangered species by Alaska Natives for subsistence purposes, providing such taking is not accomplished in a wasteful manner. Based on the numbers of subsistence harvested animals reported via the Ice Seal Committee (an Alaska Native co-management organization under the Marine Mammal Protection Act), the level of subsistence harvesting for Arctic ringed seals is not a concern for the population. Therefore, NOAA has not proposed and is not contemplating any restrictions on continued subsistence harvests by Alaska Natives.

Question. Further, the agency has previously claimed that there would be no local subsistence impacts, where does this information come from and how can it be proven?

Answer. See response above.

HYDROGRAPHIC CHARTING & OCEAN SURVEY VESSEL

Question. Modern, accurate geospatial information is critical to producing high quality navigation charts, which are to navigation, public safety, infrastructure planning, and resource management. This is particularly important in Northwest Alaska and the Arctic, where increased maritime traffic in the Bering Straits region and in the Arctic underscore the need for current hydrographic information. In some areas, the “state-of-the-art” mapping information still relies on lead-line survey work conducted by Russian whalers in the 1800s while there are still huge gaps in modern charts in the waters off Northwest Alaska and the Bering Straits Region in U.S. Arctic waters. This creates unnecessary risks for mariners and local communities. With the increasing maritime traffic in the Bering Straits region and in the Arctic there is even more need for modern charts. There is an urgent need for updated charts, yet NOAA has indicated that it has an 85 year backlog for hydrographic surveys in Alaska.

Secretary Pritzker, your agency plays a critical role in supporting hydrographic charting, including in the Arctic and Bering Straits Region. Last year we discussed hydrographic charting and what it means to my State and economic development in the Arctic. You’ll recall that I asked you about your commitment to dedicating the necessary resources to conduct hydrographic surveys and prepare navigational charts adequate to address the increasing maritime traffic in these regions. In your answer, you stated that NOAA has developed a 5-year hydrographic survey plan to identify about 40,000 square nautical miles of critical area and address the most critical survey needs in Alaska. You also stated that NOAA planned to resume full Arctic operations in 2015 under the President’s budget request. What steps have been taken toward this 5-year plan, what Arctic operations have resumed, and what does full operations mean?

Answer. NOAA continues to implement its 5-year hydrographic survey plan, which prioritizes and addresses the most critical survey needs in Alaska (and elsewhere). With the requested base resources in fiscal year 2016, NOAA plans to survey at least 500 square nautical miles in the Arctic, a continuation of the fiscal year 2015 resumption of full annual hydrographic survey operations. As a result of mechanical issues with the NOAA Ship *Fairweather* and budget uncertainties associated with the Government shutdown in October 2014, NOAA was forced to cancel many Arctic surveys planned for 2014. In fiscal year 2015 and beyond, NOAA plans to employ one surveying contractor and the NOAA survey vessels *Rainier* and *Fairweather*. In addition, the U.S. Coast Guard Cutter *Healy* will acquire depth measurements while transiting to evaluate requirements for future charting updates.

Question. This year, you are requesting \$147 million for construction of an ocean survey vessel. If this vessel is constructed, will it be built with the capabilities to operate in the Bering Sea and Arctic Ocean, helping to reduce the backlog of needed hydrographic surveys? If not, what are the Department’s other plans for producing modern nautical charts in the Arctic?

Answer. The requested Ocean Survey Vessel (OSV) will be tasked with operating in numerous challenging environments, many of which will be near U.S. borders and in the U.S. Exclusive Economic Zone (EEZ). The coastal areas are divided into four main regions, including: the Northeast, Southeast, Western, and Alaska. Additionally, the OSV will perform research in other regions within the design limitations of the vessel such as portions of the Arctic, Antarctic, and Pacific Islands, as well as within Marine Sanctuaries and Marine Protected Areas. The OSV is designed with the ability to map the ocean floor for updating nautical charts. In future years, NOAA will continue to acquire hydrographic survey data in the Arctic using a combination of NOAA’s hydrographic survey ships and contractors.

ELECTRONIC MONITORING

Question. At the Headquarters level, year after year it seems as if NOAA supports efforts to deliver cost-effective and sustainable electronic data collection solutions. The goal here is to validate the functionality of cameras, facilitate the collection of data, and improve the logistics of deploying electronic monitoring equipment on small fishing boats in Alaska. When I met with you last year you expressed an understanding of the importance of this issue in Alaska, and the potential for it to benefit fisheries around the Nation. However, efforts to make progress on the water in Alaska are hampered at the Regional level and I am concerned that the staff in the Alaska region are not working effectively. Further, despite continued promises by Headquarters staff, small boat fisherman are having serious problems receiving hardship waivers for lack of bunk space due to the observer program.

Secretary Pritzker, can you commit to working with me to not only ensure that NOAA is dedicating the resources necessary to make progress toward the deployment of viable electronic monitoring technologies on vessels, like we agreed to do last year, but also to bridging the gaps between Headquarters and the Regional Offices on goals, plans, and actions?

Answer. The fiscal year 2016 President's budget requests approximately \$7 million to support further development of cost-effective, appropriate technologies for monitoring Federal fisheries. Of this amount, \$5.6 million is requested within the Fisheries and Ecosystem Science Programs and Services for development, testing, and installation of electronic monitoring and reporting technologies across the country. The remaining \$1.5 million is requested under the Fisheries Management and Programs and Services to expedite the use of appropriate electronic technologies.

This past year, NOAA Fisheries developed a national policy on the implementation of electronic monitoring and reporting, with the intent to stimulate regional implementation of these systems. To this end, the Alaska Regional Office and Science Center have developed an *Alaska Region Electronic Technologies Implementation Plan* for initiatives that are currently being undertaken in Alaska. This plan has been endorsed by the North Pacific Fishery Management Council (Council) and shows how committed NOAA is to advancing electronic monitoring technology in Alaska fisheries. Indeed, NOAA is working with the National Fish and Wildlife Foundation to provide \$4 million in fiscal year 2015 for national implementation of electronic monitoring and reporting. A significant portion of these funds are expected to go to Alaskan fisheries.

As we move into implementation in Alaskan fisheries, we look to the Council's Electronic Monitoring workgroup for advice. This workgroup includes industry representatives as well as staff from the Council, the Pacific States Marine Fisheries Commission, and both NOAA Fisheries' Alaska Regional office and Alaska Fisheries Science Center. The workgroup was established so that industry, agency, and electronic monitoring service providers have a forum to cooperatively and collaboratively design, test, and develop electronic monitoring approaches that are consistent with Council goals and objectives to integrate electronic monitoring into the observer program.

The Council's Electronic Monitoring workgroup has developed an *Electronic Monitoring Cooperative Research and Implementation Program* that describes analytical and fieldwork projects targeted for 2015 to address:

- Deployment and operation testing of electronic monitoring systems on 12 vessels. Vessels participating in the electronic monitoring cooperative research are relieved of the requirement to carry an observer.
- Research and development of electronic monitoring technologies.
- Infrastructure to support electronic monitoring implementation.
- Analyses to support electronic monitoring implementation decision points.

This cooperative research in 2015 will collect information that will inform 2016 pre-implementation decisions by the Council and the Regional Office, assess the efficacy of electronic monitoring for catch accounting of retained and discarded catch, identify key decision points related to operationalizing and integrating electronic monitoring systems, and develop performance standards and operational requirements in regulations. Part of the discussion of 2016 pre-implementation in the small boat longline fleet will focus on vessels that have trouble carrying an observer.

Finally, NOAA is working with the Council to integrate electronic monitoring tools into the Observer Program for the fixed gear small-boat groundfish and halibut fisheries (2015 Annual Deployment Plan for Observers). The intent is to develop electronic monitoring to collect data to be used in catch estimation for this fleet.

MARINE MAMMAL DETERRENCE GUIDELINES

Question. Alaskans are fishermen and fishermen must use some means of deterrence for marine mammals. On my most recent trip to Juneau, I met with the United Fishermen of Alaska who brought up concerns regarding NOAA publishing a Notice in the Federal Register of its Intent to Issue Guidelines with respect to marine mammal deterrence devices and techniques that are used by commercial fisherman. The details of what is happening have been hard to find and there has been very little information disseminated about reasoning or plans. This is concerning for Alaskan fisherman and I echo their concerns.

On December 16th, this notice was published and the comment period just ended on January 15, 2015. What is the current state of these guidelines? Where do you see this process leading?

Answer. The Marine Mammal Protection Act (MMPA) section 101(a)(4) provides an exception to the prohibition of take for fishermen to deter marine mammals for the purpose of protecting fishing gear and catch, provided the deterrent does not result in serious injury or mortality. NOAA received over 50 comments in response to our notice requesting information from the public on which non-lethal deterrents to evaluate and consider for approval pursuant to the Marine Mammal Protection Act. Several comments provided specific information on both acoustic and non-acoustic devices and techniques to safely deter seals, sea lions, whales, and dolphins. NOAA subsequently convened a technical expert workshop to review the devices/techniques submitted by the public. Nearly all scientific information currently available focuses on the effectiveness of the deterrent and not on a deterrent's impact to the marine mammal; however, the Marine Mammal Protection Act requires that any deterrents used not result in serious injury or mortality of marine mammals. Therefore, the experts (e.g., veterinarians, acousticians, marine mammal biologists) at the workshop evaluated the potential likelihood and severity of impacts to animals that could potentially result from a deterrent. NOAA will take the input from the workshop and develop guidelines for safely deterring marine mammals as well as specific measures for marine mammals under NOAA's jurisdiction, including those listed under the Endangered Species Act. These guidelines and specific measures will go out for public comment. NOAA anticipates publishing a proposed rule in early 2016.

FISHERIES FINANCE PROGRAM

Question. The President's fiscal year 2016 budget request includes proposed language to authorize \$100 million for fiscal year 2016 in direct loan authority for NOAA's Fisheries Finance Program (FFP) Account as authorized by the Merchant Marine Act. FFP loans have a negative subsidy rate and no appropriated funds are required. I have supporting the proposed language which I believe will increase opportunities for vessel owners to build and refinance new vessels and make major modifications to existing vessels to improve fishing vessel safety. These loans will help the fleet modernize and provide significant economic benefits to shipyards and support industries.

Last year, you explained that the Advance Notice of Proposed Rulemaking was currently being developed to seek industry input and that the rulemaking process would be completed by the end of the year. Could you please update me on the ANPR and the status of FFP Loans?

Answer. NMFS published its Advance Notice of Proposed Rulemaking (ANPR) on June 13, 2014, and received 10 comments from the public as well as an inquiry from the Government of New Zealand. NMFS is reviewing the comments consistent with the rulemaking process. NOAA Fisheries is still reviewing and considering its response to those comments. Although, the Spring 2015 Semiannual Agenda of Regulations identifies that the proposed rule will be issued in July 2015, the date will have to change pending completion of review of public comments on the ANPR.

OCEAN ACIDIFICATION

Question. Integrated Ocean Acidification has seen increased funding from fiscal year 2014 to fiscal year 2016 to the tune of \$24 million, leaving the fiscal year 2016 budget request at \$30 million. This is much needed funding to address a very real issue facing our oceans, however, it is unclear how and where this money is distributed.

My question to you, is how much of this increase will go towards Alaska and the Arctic?

Answer. To date, NOAA research and monitoring within Alaskan and Arctic waters has fared comparatively well within the merit review system established by the

Ocean Acidification Program (OAP). In fiscal year 2014, 34 percent of the total OAP directed research investments were devoted to investigating the effects of ocean acidification on Alaska fisheries, notably various king crab species.

Given the geochemical setting and societal dependence on impacted species in the region, Alaska coastal waters have been identified as a potential 'hot-spot' with respect to ocean acidification. This habitat naturally exhibits waters which are seasonally corrosive to shelled organisms and is undergoing rapid change in response to climate warming. The warming waters cause accelerated melting of glacial ice, which can further exacerbate corrosive conditions in the coastal waters off Alaska. As a result, the OAP perceives Alaska research and monitoring as a high priority to the program.

Furthermore, an additional \$2.5 million provided to the OAP within the Consolidated and Further Continuing Appropriations Act, 2015, has given the program the ability to increase its Alaska research and monitoring investments. OAP has also leveraged NOAA's fleet to: (1) to support the scientific work aboard the Gulf of Alaska Ocean Acidification cruise, the first of what NOAA hopes to repeat every 4 years to monitor Alaska ocean acidification; (2) to adopt the long term maintenance of two OA moorings originally procured and maintained by the State of Alaska; and (3) to continue and enhance a multi-year, technology development project at the Alutiq Shellfish Pride Hatchery in Seward, Alaska. This last project was initiated in fiscal year 2014 in collaboration with the Alaska Ocean Observing System (AOOS). For additional information on NOAA's OAP see: <http://oceanacidification.noaa.gov/WhatsNew/OANews/TurningtheHighBeamsonOceanAcidification.aspx>.

Other significant OAP resources, while not exclusively funding Alaska research and monitoring, benefit those efforts. For example, in fiscal year 2015 the OAP will invest more than \$1.1 million in data management, quality assurance, and advanced technology projects that provide direct capacity across all the OAP supported research and monitoring efforts, including those exclusively focused on Alaska waters.

Alaska will also benefit from work that would be funded through the proposed increase of \$21.4 million for OAP in the fiscal year 2016 President's budget. Approximately 50 percent—\$10 million—of the requested increase will close existing gaps within the Ocean Acidification monitoring network and fund biological research activities. Alaska will be eligible to apply for approximately \$5 million (about 25 percent of OAP funds) that is made available for competitive grants to establish a more efficient and effective monitoring system as a key element of the National Ocean Acidification Network (NOAN).

Final fiscal year 2016 allocations for OAP directed research investments to Alaska and the Arctic will be determined through NOAA's competitive (merit) review process and the fiscal year 2016 enacted appropriations.

STELLER SEA LIONS

Question. NMFS is currently considering revisions to the critical habitat designation of the Steller Sea Lion under the Endangered Species Act. NMFS has indicated there should be a draft proposed rule released in August. Alaskans, especially in the fishing industry and affected communities, have expressed concern over the lack of transparency and peer review in the process. The North Pacific Fishery Management Council, in a letter dated October 28, 2014, made several recommendations to strengthen the science and improve the public process in this review.

Do you agree with me that we should work to strengthen the scientific analyses, and improve the transparency and communication in this important review of Steller sea lion critical habitat? What steps will you take to address the Council recommendations to have 3rd party independent scientific peer review of the analyses, and provide enhanced opportunity for the Council and the public to review and comment on these analyses prior to the preparation of the proposed rule?

Answer. NOAA Fisheries is pursuing appropriately rigorous scientific analyses and open communication to ensure that any revisions to Steller sea lion critical habitat are well supported and that stakeholders are well informed. For example, NOAA Fisheries is providing regular updates to stakeholders, including the North Pacific Fishery Management Council. We held two public meetings specifically to solicit information that we should consider during our review of Steller sea lion critical habitat an extra step that was not required by law, but helped to engage stakeholders. We have informed stakeholders that a proposed rule to revise critical habitat for Steller sea lions should be released by the end of 2015. We also intend to complete independent peer reviews of the biological report from the Critical Habitat Review Team and the economics report that will support our analysis under section 4(b)(2) of the Endangered Species Act. In response to a request from the North Pa-

cific Fishery Management Council, we will complete those peer reviews before issuing a proposed rule, which will allow the public to consider (during the public comment period on the proposed rule) what the peer reviewers had to say and how NOAA Fisheries responded. We also plan to hold at least one public hearing during the comment period on the proposed rule.

QUESTIONS SUBMITTED BY SENATOR SUSAN M. COLLINS

Question. I would like to thank the Department and NOAA for supporting the Penobscot River Restoration project (over \$20 million). I am told that this project has raised more private dollars than any other river restoration project in the country. Thanks to a partnership effort, we are on the cusp of completing what could be one of the largest and most successful fisheries restoration efforts in history.

Across the Gulf of Maine, the restoration of the sea-run migratory fish species is essential to rebuilding a thriving ocean fishery and healthy river communities. The Penobscot River Restoration Agreement has three main components: the removal of the Great Works Dam, the removal of the Veazie Dam, and the construction of a bypass of the Howland Dam. The first two are complete; the third is pending. It is important that NOAA remain committed to seeing through the full implementation of the agreement. If NOAA is not able to commit to the Agreement, which includes the building of a fish bypass, the project will be incomplete and the fisheries benefits will not be maximized.

Will you help to ensure that NOAA will work with the State of Maine, the communities along the Penobscot River, including the Town of Howland, the tribes, and the Penobscot Trust to ensure that the Agreement is fully implemented in a timely fashion?

Answer. Yes, NOAA Fisheries is committed to working with the State of Maine, the communities along the Penobscot, and the Penobscot River Restoration Trust (Trust) in an effort to implement the agreement in a timely fashion. As you pointed out, we have committed substantial resources to this effort to date and will continue to work with the Trust to fully realize the restoration potential of our collective accomplishments. We remain committed to restoring access to important diadromous species habitats throughout the watershed, and to that end, we are working to improve fish passage at a number of different project sites in the basin with several other partners in the State including the Atlantic Salmon Federation, The Nature Conservancy and the Penobscot Indian Nation. In addition, in May 2014 NOAA announced the designation of the Penobscot River Watershed as a Habitat Focus Area (HFA) under the agency's Habitat Blueprint Initiative. This designation creates an opportunity for the agency to combine its fiscal and technical resources to comprehensively address fish passage needs in the watershed. Through the Habitat Focus Area designation, we are working with The Nature Conservancy and local communities to evaluate potential dam removal and fish passage projects in portions of the watershed.

The construction of the Howland bypass is well underway and the Trust expects to complete the project by October 2015. It is our understanding that the Trust raised adequate funding to complete the construction of the bypass which allowed them to go forward with the project in late 2014. While NOAA Fisheries did not provide funding for this component of the project, our staff participated in engineering design review with the Trust and the U.S. Fish and Wildlife Service to provide technical advice for fish passage for diadromous species and to help ensure satisfactory compliance with Federal regulatory requirements.

We look forward to working further with the Trust to enhance fish passage effectiveness and project reliability and to design an effective maintenance and monitoring plan. Diadromous fish monitoring will document the project's success and determine if improvements are needed to the bypass channel to ensure the long-term success of this project. As stewards of both the resources in the river and the public funding supporting this project, we are concerned about the unresolved ownership and long-term maintenance and monitoring plan.

The fiscal year 2016 President's budget request includes an increase of \$1.3 million for ESA Salmon, part of which is requested for Atlantic salmon. With this increased funding, we would be able to better support the Maine Department of Marine Resources field operations in each of three salmon recovery areas (including the Penobscot) enabling better monitoring of adult abundance and freshwater production. Additional funding would also be used to better support non-governmental organization (NGO) efforts to restore habitat in the Penobscot and other critical habitats of the Gulf of Maine Distinct Population Segment and to provide more seasonal staff to support salmon and diadromous fish passage operation oversight and stud-

ies. The new fish passage on the Penobscot River requires more seasonal staff to ensure salmon safety and sorting from the anticipated 500,000 to one million river herring as their populations respond to the dam removals. This increased funding will provide support for that essential monitoring.

NOAA Fisheries anticipates publishing several Federal Funding Opportunities (FFO) later this year through our competitive Fisheries Habitat Restoration and Species Recovery grant programs. Funding provided through these Federal Funding Opportunities could support other high priority fish passage projects in the Penobscot watershed. The fiscal year 2016 President's budget also includes a request to substantially expand the Species Recovery Grant Program by \$17 million potentially providing even more support for Atlantic salmon recovery.

Question. Earlier this month, NOAA announced its proposal to expand the designated critical habitat for endangered North Atlantic right whales in the northwestern Atlantic Ocean. Currently, the area in New England is comprised of waters off the coast of Massachusetts, including Cape Cod Bay. NOAA's new proposal would greatly expand the designated critical habitat to include nearly the entire Gulf of Maine.

I have heard from concerned fishermen and lobstermen in Maine who are still trying to understand the implications that this proposed expansion might have on their operations. According to NOAA, this proposed expansion does not include any new restrictions for commercial fishing operations or shipping lanes. It is my understanding, however, that NOAA has imposed more stringent fishing restrictions on the existing critical habitat. For example, the lobster fishery in Cape Cod Bay has been regulated far longer than any other trap fishery, and the agency's recent rules regulating vertical lines included the closure of Cape Cod Bay to lobster fishing during the winter.

Will additional restrictions be imposed on commercial fishing operations in the Gulf of Maine should NOAA's proposal be implemented?

Answer. No. The proposed critical habitat will not result in any additional fishing restrictions. The fishing gear restrictions in place in the former Cape Cod Bay and Great South Channel critical habitat areas were implemented to prevent the take of large whales, including the North Atlantic right whale, not to protect the essential features of right whale critical habitat. Those measures were implemented under the Atlantic Large Whale Take Reduction Plan through the Marine Mammal Protection Act to address fishing interactions with large whales in those areas during specified times.

The preamble of the proposed rule to revise critical habitat for right whales under the Endangered Species Act states that additional fishing gear regulations will not be imposed within the proposed right whale critical habitat expansion within the Gulf of Maine or Georges Bank areas. The proposed rule and 4(b)(2) Impact Analysis explicitly state that we have concluded that current fishing practices, with the exception of a possible future fishery targeting copepods, will not affect the essential features of foraging habitat and therefore do not affect critical habitat.

Question. For years, China has manipulated its currency to provide its companies with an unfair trade advantage a problem that has not been sufficiently addressed by the U.S. Government. In Maine, China's currency manipulation has devastated communities that rely upon paper production. Since 2000, Maine has lost nearly half of its jobs in the paper manufacturing industry, and in the past year alone, three Maine mills have closed their doors and left hundreds of workers suddenly unemployed. Other mills may be subjected to a temporary shut down or reduction in operations, leaving workers with their jobs, but without a steady paycheck. This uncertainty and upheaval causes lasting damage to communities.

Earlier this month, I joined a bipartisan group of colleagues, led by Senator Sessions and Senator Brown, in introducing the Currency Undervaluation Investigation Act, which would apply the countervailing duty law to currency manipulation practices and hold foreign countries accountable for these practices.

How will you ensure that those harmed by currency manipulation can have their concerns addressed by the Department of Commerce?

Answer. The issue of currency manipulation or undervaluation is a very important one; the President has made clear that it is inappropriate for any country to try to grow its exports by actively maintaining an undervalued exchange rate. While the authority to monitor and report on currency manipulation rests with the Department of the Treasury, Commerce separately has the authority under the U.S. countervailing duty law to investigate an allegation that foreign producers may be benefiting from unfair subsidies conveyed through a foreign government's currency practices, provided the allegation meets the requirements for initiating an investigation under the U.S. countervailing duty law. A currency-related countervailable subsidy allegation made by a petitioning U.S. industry is examined by Commerce based

on the initiation requirements of U.S. law. If those requirements are met, Commerce would initiate an investigation of the allegation. We recognize that various bills with currency provisions pertaining to countervailing duty proceedings are currently before the Congress. Regardless of the ultimate disposition of the proposed legislation, Commerce remains committed to vigorously enforcing the trade remedy laws to ensure that U.S. companies and workers have every opportunity to compete on a level playing field.

Question. Last September, NOAA's systems were breached in a cyber attack leading to some loss of weather data and delays in satellite data transmissions. Representative Frank Wolf said he was told that the Chinese may have been behind the attack. Commerce Inspector General Todd Zinser's testimony for today expresses serious concerns with Commerce's incident detection and response capabilities. This testimony follows the IG's previous findings before the cyber attack that founds "significant security deficiencies" in the National Environmental Satellite Data and Information Service that pose a "risk in its national critical mission."

Can you describe what vulnerabilities led to the breach of NOAA's information systems, and have those vulnerabilities been addressed?

Answer. Last fall, vulnerabilities in three public facing Web sites allowed attackers to compromise some NOAA systems. This incident, which started in September, was contained quickly and the specific Web application vulnerabilities have been fully addressed. A report describing these vulnerabilities and the mitigations is under review to determine if the report contains classified materials, so NOAA is unable to provide additional details in this answer. However, NOAA can say that the actual effects of the breach were limited. However, taking the affected networks offline to contain the attack did result in extensive Web site and data flow outages. In response to the identified shortcomings, NOAA has vigorously worked to correct cybersecurity flaws and continues to incorporate enhanced security as it modernized existing and designs and implements new systems. Nothing can completely protect an organization from all malicious cyberattacks, but following this course of action will improve the security posture of NOAA's Web sites and IT systems and help ensure that NOAA can continue to perform its critical missions.

Question. The trade enforcement role of the Commerce Department and other trade agencies is very important for U.S. industries across the United States. I would note that the U.S. Trade Representative's Office has recently been addressing a concern related to a Moroccan export quota on goods that are critical to a manufacturer located in Maine. I appreciate the efforts being undertaken to make sure our trading partners are living up to their free trade agreement commitments, as this will ultimately make the difference in ensuring that trade agreements result in benefits to U.S.-based employers and workers.

How extensively is the Commerce Department coordinating with USTR and other agencies to ensure trade agreement compliance?

Answer. Ensuring that our trading partners live up to their trade agreement commitments is critical to the success of U.S. exporters and investors, and to the integrity of those agreements. When U.S. businesses sell abroad, the Department of Commerce works to ensure that they are able to do on a level, competitive playing field. The Commerce Department's Trade Agreements Compliance Program systematically monitors and investigates foreign compliance with over 250 international trade agreements.

Commerce proactively monitors trade agreement compliance and helps ensure U.S. business compete on a level playing field by identifying, investigating and resolving trade barriers. There is no cost to U.S. businesses for this service. Once a barrier is identified, Commerce assembles a case team to investigate the problem and develop a strategy to address it. This process includes coordinating interagency efforts on both an informal basis and formally through the interagency Compliance Task Force and the Trade Policy Staff subcommittees chaired by USTR. In taking action, Commerce teams can gradually escalate trade issues and, as appropriate, bring the full weight of the U.S. Government to bear in an effort to resolve the issues, using relevant trade agreements, multilateral/WTO fora, Free Trade Agreement negotiations and other diplomatic means.

As appropriate, cases identified by Commerce may also be referred to USTR and the interagency for formal dispute settlement action consideration. Commerce works particularly close with USTR in defending the rights of U.S. workers and manufacturers under World Trade Organization (WTO) trade remedy rules and challenging foreign countries' use of trade remedies when they violate WTO rules and present a barrier to fair competition from U.S.-produced goods.

QUESTIONS SUBMITTED BY SENATOR JOHN BOOZMAN

Question. First, I want to thank you for your hard work and the constructive role you played in resolving the crisis we faced during the West Coast port slowdown. For Arkansas farmers, businessmen and women, this really was a serious crisis where a lot of people were harmed by the slowdown.

When this type of situation occurs again, how could this issue be resolved much more quickly so that it does not cause so much economic damage to the country?

Answer. The negotiations over the functioning of the West Coast Ports had been taking place for months with the administration urging the parties to resolve their differences. Helping resolve this dispute was a top priority, and on February 14, 2015, the President directed me, Secretary Perez, and Secretary Foxx to travel to California to meet with the parties to help them reach a resolution.

On February 20, 2015, both parties reached a settlement and agreed to fully restore all port operations starting the following evening. This is great news for the parties involved in the negotiation and a huge relief for our economy particularly the countless American workers, farmers, and businesses that have been affected by the dispute and those facing even greater disruption and costs with further delays.

President Obama has called on the parties to work together to clear out the backlogs and congestion in the West Coast Ports. We remain ready to help both sides on the West Coast to work together towards this goal. We are also ready to provide similar assistance in future seaport contract negotiations on the West Coast and at other U.S. seaports.

Question. I am sure you agree that oversight at the agencies is necessary and an important and worthy goal. Therefore, I am concerned and disappointed that the OIG is experiencing difficulties accessing information needed to investigate and has faced threats not to release reports publicly.

What are you personally doing to ensure this does not continue and do you agree that the IG should have access to the information they need to conduct appropriate oversight?

Answer. I take compliance and oversight very seriously, and deeply appreciate the critical role Inspector General's Offices play in improving management and preventing waste and abuse in the Government. I am fully committed to working cooperatively with the Department's Inspector General on his oversight work and, as the IG Act requires, providing full and open access to information the Inspector General needs to do his job. As the Inspector General acknowledged in his testimony before this subcommittee, when issues arose regarding the Inspector General Office's access to monthly Program Management Council meetings for the weather satellite program, I stepped in to ensure that the Inspector General had the access that he needed. I will continue to take such actions as necessary to ensure that the Inspector General has the legally required access to information he needs to conduct his oversight work.

Question. I am concerned with the OIG's cybersecurity findings. While the IG identifies actions that the Department has taken to strengthen cybersecurity, more needs to be done to protect IT systems and information. A recent FISMA audit revealed "significant security deficiencies" in the NOAA high-impact systems and identified weaknesses in the Department's incident detection and response capabilities.

Are you taking these findings seriously and will you follow-up on the IG's recommendations?

Answer. The CIO is taking the OIG findings, plus his own internal findings, very seriously. The CIO reports on the Department's cyber risk profile, using the NIST cyber framework, on a monthly basis to the Secretary and Deputy Secretary, and updates the Department's Executive Management Team members on the status of their Bureau on a regular basis.

Our fiscal year 2016 request specifically addresses the Department's plan to improve incident response. We have requested an additional 2 full-time equivalents (FTEs) and funding to address directly the OIG findings and the results of third party assessments. We have requested additional information security FTEs to enhance our ability to perform security and cyber risk assessments. We are currently improving our capabilities through the addition of the ESOC capabilities, centralized reporting of computer incidents, and the hiring of additional incident response staff to include a digital forensics analyst. The primary focus for the Office of Cyber Security is shifting from a risk averse policy/compliance mindset to cyber operations/risk management mindset.

Question. Access to broadband is vital to economic development and is a real issue for rural States like Arkansas.

Can you talk about how the fiscal year 2016 budget request supports this goal and what concrete steps the agency will take to expand Internet access, especially in rural areas?

Answer. The Department is committed to building on our broadband expertise to enable more communities to harness the power of broadband for social and economic opportunity. The BroadbandUSA initiative outlined in the President's budget will help more American communities, including rural areas, expand broadband by leveraging the experience and expertise of the Department's National Telecommunications and Information Administration (NTIA).

Through its Broadband Technology Opportunities Program (BTOP), NTIA invested more than \$4 billion in projects across the country to deploy broadband networks, expand public access to broadband, and train Americans in the use of computers and the Internet. BTOP projects have delivered over 110,000 miles of broadband networks; connected more than 25,000 schools, libraries, and healthcare facilities to broadband; deployed more than 46,000 computer workstations across the Nation; and generated more than 650,000 new household broadband subscribers through education and training. But these benefits do not meet the tremendous demand for increased broadband that we know exists in America today.

As we close out the few remaining broadband grant projects, we are implementing the new BroadbandUSA initiative to help more communities in rural and other disadvantaged areas expand broadband opportunities.

The goal is to share lessons learned and best practices with community leaders, businesses, and others working on the front lines to close the digital divide. We plan to employ toolkits, training programs, workshops and other strategies for communities working to expand their broadband capabilities. For example, in February 2015, NTIA hosted a workshop in Jackson, Mississippi, that brought together leaders from small and large communities with businesses throughout the Gulf region to share lessons learned and strategies to help expand broadband.

We also intend to work with other Federal agencies whose programs can benefit from broadband expertise, and look for opportunities to maximize the impact agencies have on expanding broadband access and adoption. The Broadband Opportunity Council recently announced by the President will be co-chaired by the Department of Commerce and will bring Federal agencies together to help identify steps to reduce barriers to broadband deployment.

As evidence of the progress that we have made, NTIA recently announced that the United States has met President Obama's goal of ensuring 98 percent of the country has access to wireless broadband at a speed of at least 6 megabits per second (Mbps) down/1.5 Mbps up.

It is also important to note the NTIA's progress towards identifying 500 MHz of spectrum for commercial use by 2020 is also making a tremendous difference in the wireless broadband availability and speeds in rural and other underserved areas of the United States.

The Department is very committed to helping expand broadband opportunities for rural and other underserved areas.

QUESTIONS SUBMITTED BY SENATOR SHELLEY MOORE CAPITO

Question. As the grants from the BTOP program are spent down, does the NTIA have any programs or plans to analyze those areas which are still underserved, such as in West Virginia?

Answer. There are a number of ways in which NTIA is working to deliver benefits to underserved areas of the United States.

Since 2009, NTIA and the FCC have collaborated on the development of the National Broadband Map, <http://www.broadbandmap.gov/>, which provides detailed data on broadband availability in the United States. The broadband map has become a vital tool for consumers, businesses, policy makers and researchers by providing an easy to use and searchable way to find out who is offering broadband, what types of broadband they are offering and where are they providing it. This tool is especially valuable for rural areas that are looking to develop strategies to expand broadband in their community. We are in the process of transitioning the responsibility for continuing the data collection and updates to the Map to the FCC due to budget constraints.

Through NTIA's State Broadband Initiative, we also funded capacity-building efforts at the State level. Partly as a result, the State of West Virginia recently released a Broadband Strategic Plan (<http://www.wvgs.wvnet.edu/bb/reports.php>) identifying goals and targets for additional broadband investment that will help fill the gaps in the State's broadband infrastructure.

Additionally, NTIA's Office of Policy Analysis and Development will continue to analyze the status of the "digital divide" and the use of broadband technologies, including deployment and adoption in rural areas. This work, begun in 1994, has resulted in a series of detailed reports based on data from the Census Bureau's Current Population Surveys and American Community Surveys.

The BroadbandUSA initiative outlined in the President's budget will help more American communities expand broadband access and adoption by leveraging the experiences and expertise of the NTIA.

Through its Broadband Technology Opportunities Program (BTOP), NTIA invested more than \$4 billion in projects across the country to deploy broadband networks, expand public access to broadband, and train Americans in the use of computer and the Internet. BTOP projects have delivered over 110,000 miles of broadband networks; connected more than 25,000 schools, libraries, and healthcare facilities to broadband; deployed more than 46,000 computer workstations across the Nation; and generated more than 650,000 new broadband subscribers through education and training. But these benefits do not meet the tremendous demand for increased broadband that we know exists in America today.

Question. What initiatives or investments can be made to provide service to those areas?

Answer. As we close out the few remaining broadband grant projects, we are implementing the new BroadbandUSA initiative to leverage our expertise and help more communities expand broadband opportunities. The goal is to share lessons learned and best practices with community leaders, businesses, and others on the front lines of working to close the digital divide. We plan to employ toolkits, training programs, workshops and other strategies to communities working to expand their broadband capabilities. We are working with other Federal agencies whose programs could benefit from broadband expertise, and look for ways to maximize the impact agencies have on expanding broadband access and adoption.

The Department is committed to building on our experience with BTOP to enable more communities to harness the power of broadband for social and economic opportunity.

The Broadband Opportunity Council, recently announced by the President, will be co-chaired by the Department of Commerce and will bring Federal agencies together to help identify steps to reduce barriers to broadband deployment and adoption.

In addition to our work, the U.S. Department of Agriculture's Rural Utilities Service continues to invest in broadband infrastructure projects, and the Federal Communications Commission is updating the Universal Service Fund to better target investments toward broadband for rural and other underserved areas.

Question. Could you please provide an overview of the mission of the recently formed BroadbandUSA within your department specifically mindful of communities in areas such as rural West Virginia that are still lacking in adequate broadband access?

Answer. As described above, the BroadbandUSA initiative builds upon the lessons learned from our successful BTOP and leverages our expertise to help more communities expand broadband access and adoption. The goal is to share lessons learned and best practices with community leaders, businesses, and others on the front lines of working to close the digital divide. We also intend to work with other Federal agencies whose programs could benefit from broadband expertise, and look for ways to maximize the impact agencies have on expanding broadband access and adoption.

NTIA understands that many States such as West Virginia demonstrate significant need for additional broadband infrastructure and adoption resources. Technical assistance will be directed toward areas of greatest need, including rural and tribal areas. As we continue to develop and implement this important program, we will focus our efforts to improve the broadband capabilities in areas with demonstrated need, such as West Virginia.

Question. How do you gauge success for the BTOP program regarding access in rural areas?

Answer. Whereas the complementary Broadband Initiatives Program implemented by the U.S. Department of Agriculture Rural Utilities Service was intended to specifically focus on rural areas, Congress instructed NTIA to address the unmet broadband needs of "unserved and underserved" areas through the BTOP program.

Many of the more than 230 projects funded by NTIA delivered broadband infrastructure, computers, and training to rural areas. For example, the \$126 million infrastructure grant to the State of West Virginia deployed new or upgraded broadband capabilities to nearly every school in West Virginia, including those in some of the most rural areas of the State. The nearly \$2 million public computer center grant to WorkForce West Virginia improved broadband at 95 workforce centers, libraries and Veterans Affairs facilities in rural communities such as

Buckhannon and Durbin. The \$4.4 million broadband adoption grant to Future Generations Graduate School provided computer training and access through local fire stations and helped more than 30,000 West Virginia households become broadband subscribers.

Question. What lessons have you learned that could help Federal/State/local governments in expanding access in the future?

Answer. The Department's NTIA is committed to helping stakeholders at the Federal, State, and local level in expanding broadband access and adoption. The recently launched BroadbandUSA initiative described above will be integral to achieving this goal. By leveraging lessons learned from the successful BTOP program and sharing best practices among private and public stakeholders, NTIA will assist more communities with their goals of expanding broadband opportunities.

NTIA has already identified a number of lessons learned that can assist leaders at the Federal, State, and local level. In January 2015, NTIA released a Public Private Partnership primer, which provides a basic introduction to a variety of partnership models for communities considering new broadband projects. The primer provides a high-level overview of steps to establish partnerships, and presents case studies of successful public-private broadband partnerships. This document is available at: <http://www.ntia.doc.gov/report/2015/broadbandusa-introduction-effective-public-private-partnerships>.

Question. How do you view your continuing role in providing access in rural areas?

Answer. Building on the primer, we are working on a series of guides to assist communities that want to increase the level of broadband infrastructure and adoption in their areas. These will provide solid and field-tested advice on how to plan for network development, create useful applications and build projects that will sustain themselves for years to come.

Another way we are helping communities is through our broadband adoption toolkit, published in 2013, that serves as a reference manual for municipalities and other organizations that want to increase the level of adoption in their communities. The toolkit contains clear, sensible advice, as well as practical ideas and tips for bringing a wide array of individuals online from senior citizens who may never have touched a mouse before to minority populations who might not even speak English. See <http://www.ntia.doc.gov/toolkit>.

Additionally, the recently announced Broadband Opportunity Council, established in a March 2015 Presidential Memorandum, will collect recommendations from 25 Cabinet agencies about how to promote broadband deployment and adoption within the context of existing programs.

The BroadbandUSA initiative described in greater detail above represents the Department's priority effort for expanding broadband access and adoption in the United States.

Question. In those rural areas that expanded broadband under BTOP, what was the impact on unemployment, wages, and number of new jobs?

Answer. BTOP projects have demonstrated a significant positive impact on jobs and economic development in the communities they served, with benefits that far surpass the taxpayer investments.

In January, 2015, NTIA released an independent research study showing that its broadband grants program resulted in billions of dollars in economic benefits to the communities served, including increased economic output and higher levels of employment. The 4-year study, prepared by the research firm ASR Analytics, examined the social and economic impacts of the \$4 billion in Recovery Act grants awarded by NTIA. In communities where grantees built new broadband infrastructure, broadband availability grew by an estimated 2 percent more than in communities not served by a broadband grantee. That growth could be expected to translate into increased economic output of as much as \$21 billion annually, the report concluded.

ASR Analytics' final report summarizes and synthesizes the findings of 42 separate case study reports, two interim reports, and a short-term economic impacts report. Key findings of ASR's final report include:

- On average, in only 2 years, BTOP grant communities experienced an estimated 2 percent greater growth in broadband availability than non-grant communities, which is estimated to generate increased annual economic activity of between \$5.17 billion and \$21 billion.
- The additional broadband infrastructure provided by BTOP could be expected to create more than 22,000 long-term jobs and generate more than \$1 billion in additional household income each year.
- Community anchor institutions, like schools and libraries, served by BTOP infrastructure grantees in the sample experienced significantly increased speeds and lower costs. As an example, the median price paid by libraries in the sam-

ple was \$233 megabits-per-second (mbps)/month before BTOP, at a median speed of 3 mbps. As a result of the grant, the median price dropped to \$15 mbps/month and median speed increased to 20 mbps.

For more information, please see: <http://www.ntia.doc.gov/press-release/2015/research-study-shows-ntia-broadband-grants-provided-billions-economic-benefits>.

QUESTIONS SUBMITTED BY SENATOR JAMES LANKFORD

Question. The foreign affairs exception to the Administrative Procedure Act is only for those “affairs” which so affect relations with other governments that the public rule making provisions would clearly provoke definitely undesirable international consequences.

Given that the United States has not had formal diplomatic relations with Cuba since 1961, how would providing notice and comments provoke definitely undesirable international consequences? The precedent this action could have on future issues pertaining to foreign policy as particularly concerning. Was it the expectation of Commerce that the status quo foreign policy related to Cuba would imminently provoke undesirable international consequences? If so, what are the consequences?

Answer. The Administrative Procedure Act’s (APA) legislative history confirms that rulemakings that “provoke definitely undesirable international consequences” would clearly fall within the exemption; however the legislative history makes it clear that this is merely an example of the type of actions that would qualify for the exemption. Case law confirms that the phrase “provoke definitely undesirable international consequences” is only an illustration and is not meant to be an exclusive definition of “foreign affairs function.” See, e.g., *New York v. Permanent Mission of India to the United Nations*, 618 F.3d 172, 202 (2d Cir. 2010) (finding that quintessential foreign affairs functions such as diplomatic relations and the regulation of foreign missions clearly and directly involve a foreign affairs function, and declining to turn the phrase “provoke definitely undesirable international consequences” from an illustration appearing in the APA’s legislative history into the exclusive definition for “foreign affairs function”). Thus, “undesirable international consequences” is not the only basis for publishing rules involving foreign affairs without public notice and comment and Commerce’s rule promptly implementing the President’s change in foreign policy towards Cuba did not require public notice and comment.

Question. What assurances will NTIA provide to Congress that if the Internet DNS governance is transitioned to another entity that it will not next transition to a nation or entity that is hostile to free speech and religion?

Answer. I appreciate your concern about foreign nations exerting control over the Internet domain name system. I assure you that nothing about the proposed transition of the role of the National Telecommunications and Information Administration (NTIA) in the domain name system will increase the likelihood or ability of foreign governments to exert greater control. Indeed, a main driver behind the IANA transition is to strengthen the multistakeholder process, thereby decreasing the likelihood of and opportunity for repressive regimes to exercise control over the domain name system at a global level. Moving forward to complete the privatization planned in the 1990’s is our best response to recent calls from around the globe for greater control of the Internet by intergovernmental bodies like the United Nations.

It is important to understand that no single entity including the U.S. Government—controls the domain name system or the Internet today. The Internet is governed through the bottom-up, consensus-based multistakeholder model in which private industry, engineers, civil society, and governments work together to develop policies. The proposed transition of NTIA’s limited role is fully consistent with this multistakeholder model and will only strengthen the model against capture by anyone, including foreign governments. For this reason, the proposed transition has widespread support from Internet stakeholders, including AT&T, Verizon, Microsoft, Google, human rights groups, and the U.S. Chamber of Commerce.

Moreover, in addition to a transition plan, Internet stakeholders are working on a proposal to enhance ICANN’s future accountability. We expect the proposal to include the “stress testing” of solutions to safeguard against future contingencies, such as attempts to influence or take over ICANN. As we have stated publicly, the Department will not approve a proposal that would allow our role to be replaced by a government or intergovernmental organization. We will continue to keep Congress apprised of any developments through quarterly reports, which NTIA will supplement with additional information as appropriate.

Question. What steps have been taken to implement the reforms required in the 2012 authorization of the Export-Import Bank?

Answer. The Export-Import Bank of the United States (Ex-Im Bank) equips U.S. businesses with the financing tools they need to tackle new markets for their goods and services and to expand and create U.S. jobs. Last year, Ex-Im supported \$27.4 billion of exports and 164,000 American jobs at no cost to American taxpayers, with nearly 90 percent of Ex-Im Bank's transactions directly supporting small businesses. All of the reforms required by the bipartisan 2012 Ex-Im Bank reauthorization bill have been completed and implemented. Please see on the next two pages the section-by-section analysis provided by Ex-Im Bank. For further information, I recommend that you contact Ex-Im Bank management directly.

EXPORT-IMPORT BANK REAUTHORIZATION ACT OF 2012: EVERY REFORM COMPLETED
SECTION-BY-SECTION ANALYSIS

EXPORT-IMPORT BANK *of the* United States



Export-Import Bank Reauthorization Act of 2012: Every Reform Completed

Less than three years ago, Congress voted to reauthorize the Export-Import Bank of the United States, including a number of reforms (P.L. 112-122). Ex-Im Bank has now completed and implemented **every single reform**. But reforming and improving our operations doesn't begin or end with a bill's passage. At Ex-Im Bank, we pride ourselves on "government at the speed of business," and we've taken a number of steps in recent years to improve the customer experience for small business exporters, streamline operations, manage risk, and improve transparency.

Section by Section: Export-Import Bank Reauthorization Act of 2012 Status

Section 1: Short Title; Table of Contents	No Action Required
Section 2: Extension of Authority	No Action Required
Section 3: Limitations on Outstanding Loans, Guarantees, and Insurance	Completed
Ex-Im Bank met all conditions for an increase in its exposure cap to \$130 billion in 2013 and an increase to \$140 billion in 2014 (see sections 4-6, 11).	
Section 4: Export-Import Bank Exposure Limit Business Plan.	Completed
Ex-Im Bank sent its final business plan to Congress and the Comptroller General on September 28, 2012.	
Section 5: Study by the Comptroller General on the Role of the Bank in the World Economy and the Bank's Risk Management	Completed
GAO submitted its report to Congress in March 2013. The Bank submitted its report to Congress on the implementation of GAO's recommendations in July 2013.	
Section 6: Monitoring of Default Rates on Bank Financing; Reports on Default Rates; Safety and Soundness Review	Completed Quarterly
Ex-Im Bank submits a default rate report to Congress each quarter.	
Section 7: Improvement and Clarification of Due Diligence Standards for Lender Partners	Completed
Ex-Im Bank updated its due diligence standards and "know your customer" requirements on May 30, 2014.	
Section 8: Non-Subordination Requirement	Completed
Ex-Im Bank added this requirement to its Policy Handbook and completed training of Ex-Im Bank staff.	
Section 9: Notice and Comment for Bank Transactions Exceeding \$100,000,000	Ongoing
Notices are regularly published in the Federal Register as required.	
Section 10: Categorization of Purpose of Loans and Long-Term Guarantees in Annual Report	Completed
Ex-Im Bank first included a categorization of long-term loans and guarantees in its FY 2012 Annual Report. The categorization will continue to be included in all future Ex-Im Bank Annual Reports.	
Section 11: Negotiations to End Export Credit Financing	Completed Annually by U.S. Department of Treasury
Completion of this reform was assigned by Congress to the U.S. Department of the Treasury. Treasury provides a report on export credit financing to Congress annually.	
Section 12: Publication of Guidelines for Economic Impact Analyses and Documentation of Such Analyses	Completed
Updated economic impact procedures and methodology were approved by Board on November 19, 2012. They were published online and reported to Congress, GAO, and the Inspector General on November 26, 2012.	

EXPORT-IMPORT BANK of the United States

Continued:

Section by Section: Export-Import Bank Reauthorization Act of 2012 Status

Section 13: Report on Implementation of Recommendations of the Government Accountability Office . . . Completed
 Ex-Im Bank submitted this report to Congress on November 26, 2012.

Section 14: Examination of Bank Support for Small Business. Completed
 Ex-Im Bank's Small Business Report was submitted to Congress on November 26, 2012.

Section 15: Review and Report on Domestic Content Policy. Completed
 Ex-Im Bank's report to Congress on domestic content policy was submitted on May 30, 2013.

Section 16: Improvement of Method for Calculating the Effects of Bank Financing on Job Creation and Maintenance in the United States. Completed
 GAO submitted its report on May 23, 2013.

Section 17: Periodic Audits of Bank Transactions. Initial Audit Completed
 GAO completed an initial audit of underwriting guidelines, lending policies, due diligence procedures, content guidelines, and fraud controls. It was sent to Congress on September 9, 2014. Future audits will take place periodically.

Section 18: Prohibitions on Financing for Certain Persons Involved in Sanctionable Activities with Respect to Iran Completed
 Procedures and certificates have been posted on Ex-Im Bank's website, and training of Ex-Im Bank staff has been completed. Certificates are being collected as required.

Section 19: Use of Portion of Bank Surplus to Update Information Technology Systems Ongoing
 Ex-Im Bank is modernizing its IT systems.

Section 20: Modifications Relating to the Advisory Committee Completed
 Beginning in 2013, each Ex-Im Bank Advisory Committee has included a textile industry representative. That member helps ensure that the Advisory Committee is working to advise Ex-Im Bank on how to increase support for the U.S. textile industry.

Section 21: Financing for Goods Manufactured in the United States Used in Global Textile and Apparel Supply Chains Completed
 Ex-Im Bank's Report on Global Textile and Apparel Supply Chains was sent to Congress on November 30, 2012.

Section 22: Technical Correction No Action Required

Section 23: Sub-Saharan Africa Advisory Committee No Action Required

Section 24: Dual-Use Exports No Action Required

Section 25: Effective Date No Action Required

Ex-Im Bank has also enacted a number of additional voluntary improvements to better serve exporters and protect taxpayers:

- Realigned internally by industry sector to respond to market trends and better serve U.S. exporters.
- Improved customer service for U.S. exporters through the new Customer Contact Center at 1-800-565-EXIM.
- Established the office of Chief Risk Officer and created the Enterprise Risk Committee to maintain comprehensive and systematic risk management.
- Mandated ethics training for every single Ex-Im Bank employee, resulting in a 100% participation rate.

Question. Regarding product promotion overseas, which product groups do not have the ability to promote their products on the international marketplace?

Answer. The International Trade Administration (ITA), with its country- and industry-specific expertise along with a global network across the United States and around the world, plays a unique role in addressing barriers to broadening and deepening the U.S. exporter base. This includes: (1) Providing market- and industry-specific information where it would not otherwise be available at an affordable cost, particularly for small and medium-sized businesses; (2) Facilitating business opportunities by connecting qualified foreign buyers with U.S. suppliers; (3) Strengthening the social networks and institutions which underpin private sector activity in trade and investment, especially in culturally distant markets; and (4) Helping businesses overcome barriers to market access, including through political and diplomatic support.

As part of ITA, Global Markets assists and advocates for U.S. businesses in international markets to foster U.S. economic prosperity. Utilizing our network of trade promotion and policy professionals located in over 70 countries and 100 U.S. locations, Global Markets promotes U.S. exports, especially among small and medium-sized enterprises; advances and protects U.S. commercial interests overseas; and attracts inward investment into the United States.

Global Markets has a Federal Government presence both across the United States and in countries that represent 91 percent of worldwide GDP with authoritative, impartial, accessible professionals who have specific trade and investment expertise. As trusted intermediaries with extensive public and private sector contacts, credibility and influence in foreign markets, Global Markets effectively assists U.S. businesses and partners in entering and expanding international markets, addressing barriers to accessing foreign markets, winning foreign government procurements and attracting inward investment.

Global Markets places a primary emphasis on promoting the exports of small and medium-sized enterprises (SMEs). SMEs face internal and external barriers that inhibit their ability to access the information and contacts needed to fulfill their export potential. Over 80 percent of U.S. export value is attributable to less than 10 percent of U.S. exporters, which are predominately large companies with exports to more than 10 markets. The majority of SME exporters only export to one market and do not export in consecutive years. Global Markets is focused on helping SMEs overcome the internal and external barriers to exporting so that more SMEs export to multiple markets and do so on an ongoing basis.

Finally, Global Markets promotes all product and service groups. Regarding which product groups are not able to be promoted in the international market place, in accordance with the U.S. and Foreign Commercial Service's fiscal year 2011 Fee-Based Services Eligibility Policy and the Consolidation Appropriations Act of 2010, USFCS is prohibited by law from promoting the export of tobacco or tobacco-related products and policy restricts export promotion concerning munitions or sexually explicit material. Additionally, local laws and regulations in all markets can further complicate or even prohibit the ability to promote certain product groups in the international market place (i.e. alcohol, chemicals or weapons).

Question. If the State Department is not part of the President's new proposed trade department, do you expect that trade policy objectives, such as ensuring that our trade partners respect human rights and religious freedom, will be assumed by the new department or remain part of the State Department?

Answer. The President is asking Congress to give him the authority to submit to Congress for expedited consideration proposals to consolidate executive branch agencies so long as the result would be to reduce the number of Government agencies or cut costs. If he were granted such authority, the President has put forward a proposal that would consolidate six primary business and trade agencies, as well as other related programs, integrating the Government's core trade and competitiveness functions into one new department. Specifically, the department would include the Department of Commerce's core business and trade functions, the Small Business Administration, the Office of the U.S. Trade Representative, the Export-Import Bank, the Overseas Private Investment Corporation, and the U.S. Trade and Development Agency. This Department would be responsible for expanding trade and investment, growing small businesses, and supporting innovation, and would be more effectively aligned to strengthen trade enforcement and implement a strong, pro-growth trade policy.

Question. If the State Department, what level of coordination would you expect from the new department and State to ensure these concerns are addressed?

Answer. If Congress grants him that authority, we will consult with Congress, other agencies and stakeholders and develop a more detailed proposal for the cre-

ation of the proposed new department. Unless and until that authority is granted, we remain focused on our current mission.

Question. Regarding the American Community Survey.—What is the total cost per completed survey?

Answer. In fiscal year 2014, the cost of the American Community Survey (ACS) was \$230 million. The Census Bureau conducted about 2.4 million interviews that year, thus yielding a cost of approximately \$96 per completed survey. Each year only a small percentage of households are selected to participate in the survey, yet the entire country benefits from the wealth of information the ACS provides—over 11 billion estimates each year. For just \$1.72 per household a year, our communities and businesses get the data they need to help them plan and make decisions to invest and grow our economy.

Question. Is there a problem with moving to voluntary completion?

Answer. Yes. Census research, and experience in other countries, show that moving to a voluntary survey would make the American Community Survey (ACS) more expensive, less accurate, or both. Because the ACS would have far fewer completed interviews, the resulting data would be much less reliable. To achieve the same level of quality of the current mandatory survey, the Census Bureau would have to spend an additional \$90 million annually to implement a voluntary ACS. Making the survey voluntary would disproportionately affect rural areas and small populations throughout the Nation. A voluntary ACS at current funding levels would result in the loss of data for approximately 61 million people, representing about 24 percent of counties—mostly rural and small communities.

The Census Bureau's top priority is respecting the time and privacy of the people providing the information. We are accelerating our program of research to address these concerns, including how best to operationalize needed changes. We are focused on specific ways to reduce the concerns of survey respondents. For instance: (1) can we remove questions by using other data sources, including information people have already provided to the government? (2) can we better phrase our questions to reduce respondent concern, especially for those who may be sensitive to providing information? (3) can we ask some questions every other year, or every third year? The Census Bureau continues to place a high priority on this work and will report to the Secretary of Commerce by the end of the fiscal year (2015).

Question. In written testimony before this subcommittee, Inspector General Zinser testified that “from fiscal year 2012 through February 18, 2015, around 38 percent of the contract obligations awarded by the Department have been high-risk obligations.”

What steps are you taking to ensure that the Department properly awards, administers, and reports high-risk contracts?

Answer. In response to recommendations set forth in the published Office of Inspector General audit report entitled, *The Department's Awarding and Administering of Time-and-Materials Contracts Needs Improvement*, the Department of Commerce has taken significant steps to improve the use and management of high-risk contracts to include:

- Incorporated definitive control objectives specific to high-risk contract actions into Acquisition Management Reviews;
- Increased the focus of the Acquisition Review Board and Investment Review Board processes to require further details when awarding high-risk contracts, including the use of a standardized list of considerations to evaluate proposed acquisition strategies;
- Monitoring the use of new contract dollars awarded with high-risk contracting authorities through the Department's Acquisition Council on a monthly basis; and
- Re-issued departmental policy to the Department's contracting workforce on the proper use, management and documentation requirements of contracts awarded under high-risk contracting authorities.

With these tools in place, the Department is assured that sufficient awareness and oversight is in place to ensure high-risk contracts are awarded, administered and reported properly.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

NOAA EFFORTS REGARDING SALMONID POPULATIONS

Question. Since the issuance of the 2009 salmon biological opinion, operations of California's Central Valley Project (CVP) and State Water Project (SWP) are re-

quired to adhere to stringent regulations in order to protect endangered and listed salmonid species.

However, nearly 6 years after the actions required by the salmon biological opinion has taken effect, the species is still suffering, and population recovery is still a distant goal.

While there are many debates about the effects of the CVP and SWP on salmonid species, there is general consensus that water pumping is not the *only* action that affects salmonid populations.

Based on the best available science today, what factors besides water pumping negatively affect the extent and pace of recovery in salmonid populations?

Answer. Habitat loss and degradation are primary limiting factors for anadromous salmonid populations. Currently, dams block Chinook salmon and steelhead from over 90 percent of their historical spawning habitat in the Central Valley. In addition, 98 percent of riparian and floodplain habitat in the lower river and Delta is no longer available to support healthy fish runs.

Numerous additional factors (besides water pumping) impair recovery, including: blocked access to historical spawning areas; drought conditions; disconnected floodplain habitat along tributaries and mainstems; impaired flow and sediment regimes below dams that degrade rearing habitats in stream channels and reduce the frequency and magnitude of high and turbid flows beneficial to juvenile migration; channel revetments and levees that eliminate shallow rearing habitat; commercial and recreational fisheries; impaired water quality; predation by non-native fish; and unintended effects of hatcheries all contribute to declining populations. Many of these factors are related to the existence and operation of the water projects, but are not directly related to pumping.

In July 2014, the National Marine Fisheries Service (NMFS) issued a recovery plan for Sacramento River winter-run Chinook salmon, Central Valley spring-run Chinook salmon, and California Central Valley steelhead that identifies and prioritizes the above factors, and other threats and stressors to each of the life history stages of the listed salmonids.

Question. Since the issuance of the 2009 salmon biological opinion, what steps has NOAA taken to address these other factors and to improve salmon recovery efforts?

Answer. NOAA has taken the steps shown below to improve salmon recovery efforts:

Habitat

NMFS has been actively pursuing salmonid reintroductions to historical habitat in the Sacramento River watershed upstream of Shasta Dam, in Battle Creek, in the upper Yuba River watershed, and in the San Joaquin River. NMFS has also been engaged in the California Department of Water Resources' FloodSAFE initiative in order to integrate floodplain and riparian habitat restoration into the State's flood protection system and associated conservation strategy.

Fisheries

NMFS established a regulatory management strategy for protecting winter-run Chinook salmon in the ocean salmon fishery such that the fisheries' impacts will be lessened if the population's abundance declines below key thresholds.

Hatcheries

NMFS' Southwest Fisheries Science Center was directly involved in the California Hatchery Scientific Review, and NMFS has been engaged with other agencies in implementing the recommendations developed during the review.

Salmon Loss in Colusa Basin

NMFS has been directly involved in multi-agency efforts to rescue salmon and steelhead that were trapped in the Colusa Basin Drain and has been working closely with agencies and stakeholder groups to minimize impacts.

Drought

The five agencies primarily involved in the coordinated operation and regulation of the Federal Central Valley Project (CVP) and State Water Project (SWP) are planning for a fourth year of drought. Working in close coordination, the United States Department of the Interior Bureau of Reclamation (Reclamation) and the Fish and Wildlife Service (USFWS), the United States Department of Commerce National Oceanic and Atmospheric Administration (NOAA) through the National Marine Fisheries Service (NMFS), the California Department of Water Resources (DWR), and the California Department of Fish and Wildlife (CDFW) have developed an *Interagency 2015 Drought Strategy* in order to rapidly and equitably balance be-

tween all of the competing needs for limited water. Core principles in the drought strategy include specific protections for salmon and steelhead.

Recovery Partner Collaboration

NMFS has been working closely with its agency partners and the Golden Gate Salmon Association, the Glenn-Colusa Irrigation District, the Northern California Water Association, Trout Unlimited, Cal-Trout, and American Rivers to develop and pursue salmonid recovery actions. This collaboration resulted in on the ground results in 2014 with the completion of the Painter's Riffle habitat restoration project on the Sacramento River.

In 2014, NMFS released its *Final Recovery Plan for Central Valley Chinook Salmon* and Steelhead jointly with California Department of Fish and Wildlife's *Ecosystem Restoration Program Conservation Strategy*. Parallel with the release and implementation of these plans, Golden Gate Salmon Association and Northern California Water Association developed salmon restoration initiatives, and multiagency efforts are underway to strengthen implementation of the Central Valley Project Improvement Act's fish program. NMFS continues to be heavily engaged in these stakeholder and agency partner efforts in order to help achieve salmon and steelhead recovery goals.

Budget

The fiscal year 2016 President's budget request includes an increase of \$1.3 million for ESA salmon recovery for a total of \$68.5 million. Under this proposal, NOAA will address Atlantic and Pacific salmon recovery including expanded Pacific salmon monitoring capabilities and increased ESA section 7 consultation capacity on the West Coast to improve our on-time consultation completion rate in support of the regional economy.

Specifically, NMFS' work in the Sacramento and San Joaquin watersheds occurs in three main program areas:

Central Valley/State Water project ESA review and permitting

These activities include immediate action on the drought, work on the biological opinion for the Long-term Water Operations for the State Water Project and Central Valley Water Project Remand, and development and review of the Bay-Delta Conservation Plan.

ESA administration for the broader suite of actions across the entire Central Valley/San Joaquin geography

These activities include continued work on large-scale programs such as the San Joaquin River Restoration Program and the Central Valley Flood Protection Program, development and review of Hatchery Genetic Management Plans, and ESA section 7 consultations.

Monitoring and technical support (for the activities mentioned above)

This includes NMFS activities to develop salmonid life cycle modeling for the Central Valley, as well as any research and monitoring needs that may be carried out. Adaptive management is central to planned future water project operations, and adaptive management requires ongoing research support for development and updating of conceptual and quantitative models, design and execution of monitoring programs, and management and synthesis of scientific information. This will require an ongoing investment in our anadromous fish research program as well as infrastructure to conduct monitoring.

The recent drought emergency has increased short term stress on completing our regulatory requirements and highlighted the need for more comprehensive management of the system focused on the long term protection and recovery of salmonids.

The budget also includes an increase of \$19 million for expanded consultation capacity nationwide, including in California.

Question. Please provide a list and description of the habitat restoration projects NOAA has supported or conducted in the Sacramento-San Joaquin River Delta since the issuance of the 2009 salmon biological opinion to help improve endangered/listed salmonid recovery.

Answer. NMFS is significantly involved in many important collaborative restoration projects in the Sacramento-San Joaquin Delta in a technical advisory capacity. NMFS works with numerous partners to shape these efforts, ensuring that projects are designed to avoid jeopardizing ESA-listed salmon and steelhead and to contribute to recovery goals and actions consistent with the recent Central Valley Recovery Plan.

Since 2010, NMFS has supported and participated in the Fish Restoration Program (FRP). The FRP is an agreement between California Department of Fish and

Wildlife and California Department of Water Resources (CDWR) that was signed following the 2009 salmon biological opinion. The primary Fish Restoration Program obligation is to restore 8,000 acres of intertidal marsh and associated subtidal habitat in the Delta and Suisun Marsh. This includes 800 acres of marsh in the low-salinity-zones of the estuary made up of the Suisun Marsh and the westernmost part of the Delta. The Fish Restoration Program also includes a number of actions to benefit winter-run and spring-run salmon, steelhead, sturgeon and other native fish species. The focus of these restoration efforts has been in the Delta, Suisun Marsh and Yolo Bypass, as well as connected upstream watersheds. For example, CDWR acquired a substantial portion of Prospect Island in 2010 and has been leading the restoration of this important intertidal habitat. In addition, the State of California contributed \$12 million toward the restoration of Battle Creek for salmon and steelhead. NMFS is a partner of the multi-agency effort (approximately 10 agency and public partners) implementing the Battle Creek Restoration Project. For a summary of the FRP, including annual reports, see <http://www.water.ca.gov/environmentalservices/frpa.cfm>.

There are a number of other Deltarestoration and planning efforts underway in which NMFS is involved to provide technical guidance. These include the following major restoration projects:

- Delta Stewardship Council Delta Plan;
- California EcoRestore (formerly part of the Bay Delta Conservation Plan BDCP)¹;
- Suisun Marsh Habitat Management, Preservation, and Restoration Plan, and
- Ecosystem Restoration Program (for 2014 highlights report see <https://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=93380&inline>).

Question. What steps has NOAA taken since the issuance of the 2009 biological opinion to reduce/mitigate the effects of non-native predator species (such as striped bass) on the recovery of endangered/listed salmonid species? Please specifically describe the projects involved and their status.

Answer. Predator fish, including striped bass, are one source of Chinook salmon mortality, and it is a priority in our Central Valley Salmon and Steelhead Recovery Plan to implement projects to reduce predation at weirs and diversions in the Delta. Per our 2009 Biological Opinion, NMFS is working with the California Department of Water Resources (CDWR) to develop and implement predator control methods for Clifton Court Forebay on the State Water Project.

In 2014, NMFS initiated a study in the south Delta to examine whether predator removal could be a viable management strategy to improve survival of salmonids migrating through this area, and to learn about predator identity, activity, abundance, and behavior. Preliminary results show that striped bass are a frequent predator of salmonids, but many salmon are also consumed by catfish. Removing striped bass from small areas can improve survival of salmonids transiting that area, but striped bass are very mobile and quickly repopulate areas from which they have been removed. Predators were found to be concentrated in certain places with particular physical conditions such as holes scoured by the current in the bends of armored channels, areas with underwater structures that provide cover to predators, and water diversions that concentrate salmon (these have been noticeable, although we still have more to learn from careful analysis of the data collected). Efforts to alter these locations to make them less suitable for predators might be more effective than removals. This study will be repeated in 2015, with funding from the California Department of Water Resources.

NMFS is also developing a model that should help us understand the relationship between inflows to the Delta, pumping, and salmonid survival. The model includes an agent-based salmon model that incorporates swimming and navigational behaviors and predation, and a hydraulic model of the Delta that includes tidal forcing, pumping, and operations of barrier gates. The salmon model has been successfully fit to tagging data (described briefly in response to the question below). The model will be used in 2015 to evaluate the impacts of alternative water project operations, and to more generally understand the conditions under which and the mechanisms

¹On April 30, 2015, the Governor of California announced new parallel plans for restoring the Sacramento-San Joaquin River Delta ecosystem and the modernization of California's aging water infrastructure. The Bay Delta Conservation Plan (BDCP) will no longer be pursued as a habitat conservation plan. The new approach entails two separate, but parallel, State plans:

1. A habitat plan California EcoRestore aims to restore nearly 40,000 acres to support the long-term health of the Delta's native fish and wildlife species.

2. An infrastructure plan California Water Fix to achieve and sustain these restoration goals, while protecting the state against the catastrophic threats of climate change, earthquakes and levee breaks.

(direct entrainment or increased exposure to predation) by which pumping impacts salmon. This study is ongoing, with funding from the U.S. Bureau of Reclamation.

Question. What steps has NOAA taken since the issuance of the 2009 biological opinion to improve monitoring, surveying, and detection of salmonid species in the Delta, so that the agency has a clear understanding of the presence and distribution of salmon in the Delta? Please specifically describe the projects involved and their status.

Answer. Since 2007, NMFS has been employing acoustic tag technology to monitor the migration and survival of salmonids between spawning areas and the Pacific Ocean. In 2013, tags became small enough to implant in endangered winter-run Chinook, and in 2015, receivers were deployed in the river and Delta that transmit their data in real time to a Web server, allowing water and fishery managers to know when tagged winter Chinook are entering key areas. These studies have revealed the importance of flow pulses to the migration and survival of winter Chinook and threatened steelhead, and the existence of mortality hot-spots within and outside of the Delta. NMFS is also starting a pilot project in 2015 to examine the potential of radio-frequency identification tags (which are ~100x cheaper than acoustic tags) to greatly expand the scope of salmonid monitoring studies. This work is ongoing, with funding from the U.S. Bureau of Reclamation and the California Department of Fish and Wildlife (CDFW).

In addition, NMFS Southwest Fisheries Science Center (SWFSC) is modifying the existing particle tracking model to develop an enhanced particle tracking model that assigns advection and “swimming” behavior to particles as part of their effort to develop a life cycle model for winter-run Chinook Salmon. By inserting a number of these particles at select Delta locations into a simulation of current and forecasted hydrology, the enhanced particle tracking model can provide information on predicted route selection and fate of particles to inform management of various hydrodynamic effects of operations on salmonid movement. Using the enhanced particle tracking model for real-time operations in 2015 would provide an initial trial of the calibrated modeling and analytical efforts and techniques required for rapid response. Funding for this effort is provided by the U.S. Bureau of Reclamation.

Kodiak/Midwater trawl monitoring stations were implemented at Jersey Point and Prisoners Point in the Delta in 2014–2015 in order to establish a baseline understanding of the timing, duration, and frequency of anadromous salmonid species at those monitoring locations. The trawl monitoring was also utilized before, during, and after a storm event, and also in anticipation of and during flexible operations that are different than required in the biological opinion, in order to inform operations and better understand the influence of storm events and operations on the timing, distribution, and magnitude of the anadromous salmonid species.

Question. What steps has NOAA taken since the issuance of the 2009 biological opinion to test and/or implement physical and non-physical barriers in the Delta that would better protect salmon from entrainment? Please specifically describe the projects involved and their status.

Answer. In 2009 and 2010, the California Department of Water Resources (DWR) implemented a bio-acoustical fish fence (combination of bubbles, lights, and sound) study at the Head of Old River to determine the effectiveness of the technology in separating fish (keeping them in the mainstem San Joaquin River) from flow (down Old River to the Federal and State pumping facilities). The U.S. Bureau of Reclamation issued a report in 2012, but the California Department of Water Resources is reanalyzing the data, with another report expected sometime this year.

The California Department of Water Resources implemented a bio-acoustical fish fence in 2011 and 2012, and a floating fish guidance structure in 2014, in Georgiana Slough at the upstream confluence of the Sacramento River to determine the effectiveness of the technologies in separating fish (keeping them in the mainstem Sacramento River) from flow (down Georgiana Slough and into the Central Delta). The California Department of Water Resources expects to issue a final report this year.

NMFS staff are part of an interagency team, including California Department of Water Resources (lead), Reclamation, USFWS, and California Department of Fish and Wildlife, to consider engineering solutions to further reduce diversion of emigrating juvenile salmonids to the interior and southern Delta, and reduce exposure to California’s Central Valley Project and State Water Project export facilities (pursuant to RPA Action IV.1.3). A final report with recommendations from the California Department of Water Resources was shared with NMFS on March 26, 2015, and we are working together to determine next steps.

Question. What steps has NOAA taken since the issuance of the 2009 biological opinion to reduce or eradicate aquatic invasive weeds in the Delta that may negatively affect oxygen and nutrient levels in Delta water for endangered/listed salmonid species? Please specifically describe the projects involved and their status.

Answer. The California Department of Boating and Waterways (CDBW) and U.S. Department of Agriculture Agricultural Research Service (USDA) are the lead agencies in California that execute the water hyacinth control program (WHCP), which includes both herbicide and mechanical removal of the plant.

NMFS' role in control of aquatic invasive Delta weeds is to assist the USDA and California Department of Boating and Waterways in compliance with their Endangered Species Act (ESA) section 7 consultation requirements, since herbicide treatment and mechanical removal activities can be otherwise harmful to the aquatic environment. USDA consults with NMFS (and the U.S. Fish and Wildlife Service) to ensure Endangered Species Act compliance for water hyacinth control program actions.

On February 27, 2013, NMFS issued a concurrence letter to USDA for its proposed water hyacinth control program for 2013–2017. On March 13, 2013, the U.S. Fish and Wildlife Service issued a biological opinion to USDA for the same. Previous consultations requests from USDA have been on annual water hyacinth control program operations, however, this consultation was on a 5-year permit, giving longer term certainty to USDA and California Department of Boating and Waterways that their program was in compliance with the Endangered Species Act.

NMFS also issued a concurrence letter to USDA on February 2, 2014, for their Spongeplant Control Program for 2014–2017. NMFS acknowledged the inefficiencies in consulting on individual aquatic invasive weeds in the Delta, even if it is for several years at a time. Therefore, in 2014, NMFS initiated an interagency effort to assist USDA and the California Department of Boating and Waterways in their development of a comprehensive multi-year program to control all aquatic invasive weeds in the Delta.

QUESTIONS SUBMITTED BY SENATOR TAMMY BALDWIN

NOAA—AQUACULTURE

Question. In many Wisconsin communities along the Great Lakes, we are seeing growing entrepreneurial interest in urban aquaculture systems. We also have both university- and non-governmental organizations providing training and support, encouraging innovation and growth in this industry. The NOAA budget proposal recommends a stronger focus on the development of aquaculture systems. Along with ocean coastal States, I believe Wisconsin has the potential to expand its aquaculture production significantly in coming years.

What is NOAA's position on the future role of Great Lakes freshwater aquaculture and urban aquaculture systems in increasing U.S. domestic aquaculture production?

Answer. Currently, the United States imports 90 percent of our seafood. This extensive importation has led to a large and growing seafood trade deficit that exceeds \$12 billion (Fisheries of the United States, 2013). Part of NOAA's mission is to develop sustainable marine aquaculture across a broad range of systems and technologies, e.g., coastal shellfish and finfish farming, offshore aquaculture, stock enhancement activities, and land-based systems (aka "urban aquaculture"). NOAA will continue to support urban aquaculture development primarily through the National Sea Grant College Program. Urban aquaculture has been the subject of research and extension projects by several Sea Grant programs, including both within and outside the Great Lakes region, and was the subject of a major symposium sponsored by Rhode Island Sea Grant in 2002. NOAA anticipates that Great Lakes freshwater aquaculture and urban aquaculture will continue to play an important role as the U.S. aquaculture industry continues to develop.

(2013). Fisheries of the United States 2013. Silver Spring, MD: National Marine Fisheries Service, Office of Science and Technology. URL: <http://www.st.nmfs.noaa.gov/Assets/commercial/fus/fus13/FUS2013.pdf>.

Question. Would NOAA's proposed aquaculture funding be available to these non-marine systems?

Answer. Yes. The NOAA Sea Grant National Marine Aquaculture competitive program is designed to support the development of environmentally and economically sustainable aquaculture within ocean, coastal, or Great Lakes settings. The fiscal year 2014 and fiscal year 2015 Federal Funding Opportunity (FFO) announcements for this important Sea Grant program have stated explicitly that the Great Lakes are included. Additionally, Great Lakes aquaculture projects are eligible to apply for NOAA's National Marine Fisheries Service Saltonstall-Kennedy grant competition. NOAA intends to continue this policy of supporting Great Lakes aquaculture in fiscal year 2016.

NOAA—COASTAL RESILIENCE IN THE GREAT LAKES

Question. Climate change will significantly impact the Nation in coming years, Wisconsin included. With rich natural resources, many of Wisconsin's economic sectors and coastal communities will be highly impacted by a changing climate. Our Lake Michigan and Lake Superior coasts include highly developed and rural areas, forests, and protected shorelines. NOAA's fiscal year 2016 budget request emphasizes increased support for community, ecosystem, and economic resilience.

What support will be available to support Great Lakes coastal resiliency?

Answer. In fiscal year 2016, NOAA is requesting a suite of program increases to enhance resilience of coastal communities, economies, and ecosystems nationwide, including those in the Great Lakes region.

Regional Coastal Resilience Grants will catalyze regional-scale implementation of resilience plans such as hazard mitigation, land use, and adaptation (+ \$45 million for a total of \$50 million in fiscal year 2016).

- Capacity to Respond to Extreme Events will improve NOAA's capabilities to assess inundation risks, communicate them to at-risk coastal communities, and help those communities take action to mitigate those risks (+ \$4.8 million).

- Ecosystem-based Solutions for Coastal Resilience will encourage the use of natural infrastructure for coastal protection by helping communities to compare the economic impacts of ecosystem protection and restoration vs. other uses of coastal lands and waters (+ \$5 million).

- AmeriCorps Resilience Corps Pilot Program Training and Technical Assistance will provide training to on-the-ground AmeriCorps members who will work directly with communities to improve their resilience to climate change (\$2 million).

These initiatives will build on NOAA's ongoing efforts to emphasize coastal resiliency in the Great Lakes region. This includes NOAA's Great Lakes Coastal Resilience Planning Guide. This is an online guide for planners and practitioners to share proven solutions, best practices, and lessons learned for resilience building, as well as the tools, data and maps, and publications to get them there. Coastal Resilience Grants will assist with the implementation of the guide (<http://coast.noaa.gov/digitalcoast/tools/gl-resilience>).

NOAA—HIGH PERFORMANCE COMPUTING

Question. The President's fiscal year 2016 budget requests an increase of \$9,000,000 to begin recapitalization of the R&D High-Performance Computing (HPC) systems (i.e., Gaea) located at Oak Ridge National Laboratory in Oak Ridge, Tennessee and to establish a permanent source of funding that would allow NOAA to maintain regular refresh and recapitalization of supercomputing resources.

What is the status of NOAA's response to Appropriations Committee language requiring submission of a long-term plan to upgrade its high performance computing technology and architecture?

Answer. NOAA is currently working on a report regarding our long-term plans on high performance computing (HPC) but will not meet the June deadline outlined in Senate Report 113–181 that accompanied Public Law 113–235 (180 days after enactment). Additional time is needed to draft and review the report due to the complexity of this topic. NOAA anticipates submitting this report toward the end of August (2015).

Question. What would be the impact if Congress did not fund the \$9.0 million requested this year in terms of NOAA's ability to perform its primary missions, and the cost and research implications for the Agency of deferring the project to another fiscal year?

Answer. By 2016, NOAA's research and development (R&D) High Performance Computing (HPC) system Gaea, located at the Department of Energy's Oak Ridge National Laboratory in Tennessee, will be at the end of its useful life. Without additional requested funding, NOAA will have to fund recapitalization of the Gaea supercomputer within current resources, resulting in diminished R&D HPC capacity (approximately 50 percent of the capacity of today's system) for weather and climate modeling and research that operate on Gaea now. Reductions in R&D HPC capability will slow down mission critical scientific advancements, model development and transition of research applications into operational applications. Specific examples of the impacts to NOAA's mission include:

Loss of high-resolution modeling capability for skillful seasonal predictions of surface temperature, precipitation: Seasonal predictions of temperature and precipitation over land are in particular demand due to their importance to the agriculture, energy, transportation and marine ecosystems systems sectors for planning and decisionmaking. Skillful seasonal prediction of near-surface air temperature and pre-

precipitation over land has been achieved using a new high-resolution model running on the R&D supercomputer. Predictions with this model are being made available to global partners through the North American Multi-Model Ensemble for Seasonal Prediction (NNME). NOAA may have to downgrade to a lower resolution, less accurate model if it has to fund the replacement.

Seasonal Forecasting of Regional Tropical Cyclone Activity: Tropical cyclones (TCs), which include hurricanes and typhoons, are a major climate hazard across the Northern Hemisphere, and have exhibited variability and change on year-to-year timescales. Understanding and predicting TC activity is central to NOAA's mission. A new high-resolution model running on the R&D supercomputer exhibits substantial skill at determining the key features of regional tropical cyclone activity. Predictions using this model are being made available to the NWS and other global partners through the NNME. Funding for the replacement HPC is needed so NOAA can continue the research that would lead to these improved capabilities to predict TCs.

COMMERCE—TRADE PROMOTION COORDINATING COMMITTEE

Question. A May 2014 GAO report found that there have been limited results from the Trade Promotion Coordinating Committee which is intended to advance Federal-State collaboration in promoting U.S. exports. The Commerce Department responded to the GAO report stating its intention to obtain comprehensive data on the overall Federal relationship with State trade promotion entities and that once this data was obtained, it would work to identify and implement strategies to enhance collaboration with State trade promotion entities.

Can you provide the subcommittee with an update on the status of this effort?

Answer. Partnering with States and regions to foster local ecosystems that support exporters of all sizes is one of five key priorities of the NEI/NEXT, which I announced in May 2014 and is the overarching policy reflected in the National Export Strategy. Since then, the Trade Promotion Coordinating Committee (TPCC) member agencies have begun working even more closely with State trade offices and entities representing them at the national level (State International Development Organizations or SIDO) to coordinate calendar year 2015 Federal-State trade promotion priorities and ensure collaboration in serving U.S. businesses. The International Trade Administration, Global Markets, U.S. and Foreign Commercial Service (US&FCS) also added to the fiscal year 2015 performance plans for its U.S. Field Network Directors an element on collaboration and planning with local partners, including States.

The International Trade Administration is actively in the process of gathering data to obtain a clearer picture of the Federal-State trade promotion relationship and a nationwide view of state resources devoted to promoting international trade.

(1) The TPCC Secretariat is coordinating with the US&FCS U.S. Field to gather the Federal perspective on current Federal-State cooperation; information on each State's trade promotion programs, e.g. staffing levels and State budgets for trade promotion; the extent to which State offices provide assistance to companies other than through referrals to US&FCS programs and services; challenges to Federal-State coordination; and the extent of State activity focused on inward investment attraction.

(2) ITA will analyze its database of reported trade promotion events to identify events in which the local US&FCS office mentioned they worked with their corresponding State office. ITA also is mining its customer satisfaction-related market segmentation and branding studies which contain information on use of alternative service providers.

(3) In addition, the TPCC Secretariat is aware that SIDO is conducting its own survey to obtain information on the level of trade promotion activity within State offices, and SIDO has indicated its intent to share that information with the TPCC member agencies. SIDO has indicated that its survey will yield information on whether State offices have industry focuses; the size of client companies; export financing options for risk mitigation; how the State offices use Department of Commerce export and inward investment promotion programs, such as trade missions, and what programs they use; the frequency of meetings with representatives of TPCC agencies; and the most common barriers that prevent companies in their State from exporting.

The TPCC plans to present preliminary findings from the ITA survey in April at the annual SIDO meeting, which is a gathering of State trade offices. We understand that SIDO also anticipates having results from its own survey, which SIDO reports usually has a 50 percent response rate, around the same time.

Following this meeting, the TPCC member agencies will use the findings from this data to draft and implement plans to further enhance collaboration with State trade promotion efforts. During this process, the TPCC Secretariat will continue to work closely with SIDO and the various State trade offices to identify opportunities for greater Federal-State trade promotion collaboration to maximize efficiencies and the impact on export promotion.

COMMERCE—PATENT PROTECTIONS

Question. American universities, along with related nonprofit research institutions, conduct over half of the basic research in the United States. Universities are allowed to license the resulting patents to the private sector for commercialization. University technology transfer provides a rich return on both public and private funding for basic research in the form of countless innovative products and services that benefit the public, create jobs, and contribute to U.S. economic competitiveness and global technological leadership.

Can you please tell the subcommittee what the Department of Commerce is doing to ensure a robust patent system that provides strong protection for inventors and supports the continued success of university technology transfer?

Answer. The United States Patent and Trademark Office (USPTO), an agency of the Department of Commerce, provides support, outreach and collaboration for universities and their technology transfer systems. The USPTO provides training at the university level to faculty and students alike to enhance the role of innovation and creativity at the university level. This outreach provides current and future scientists, engineers and business-minded people the skills to understand and utilize intellectual property (IP) in our high-tech economy. Furthermore, the USPTO collaborates with the university technology transfer offices across America to provide training on all aspects of IP. The USPTO works with the Federal national laboratories to assist in training staff on the aspects of IP and the technology transfer process as well. In addition, the USPTO frequently collaborates with the National Academy of Inventors and InventNow in reaching out and supporting university patent holders and collegiate inventors.

Some specific examples of USPTO activities include:

- An enhanced USPTO University Outreach program is underway and is providing training to colleges and universities across the country on the basics of IP and its importance as well as the resources that are available at the USPTO to assist inventors, innovators, entrepreneurs and small business owners.
- The USPTO is part of the Inter-Agency Group Working on Technology Transfer (IAGWTT) and Inter-Agency Network Enterprise Assistance Providers (INEAP), which is in the process of creating a “Technology Transfer Playbook” that outlines the best practices for the technology transfer process.
- The USPTO provides training for Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) programs. Of particular note is the relationship with the Small Business Administration (SBA) and supporting their efforts to educate grantees through the SBIR Road Tour designed to reach out to colleges and universities.
- The USPTO has a variety of resources on its USPTO.GOV Web site in the form of videos, tutorials and Web pages that explain the patent process and how to apply for a patent.
- The USPTO, in a joint effort with partnership with National Institute of Standards and Technology/Manufacturing Extension Partnership (NIST/MEP), created an on-line, Web-based IP Awareness Assessment Tool that allows an individual to answer questions about their knowledge of IP and following the completion of the assessment, the user receives customized training materials.

COMMERCE—PATENT REFORM

Question. There have been some proposals in Congress and from the White House to reform the U.S. patent system in an attempt to reign in patent litigation abuses. However, in a letter from 145 American universities, they share their concerns that some of the patent reform proposals currently being discussed go well beyond what is needed to address the bad actions of a small number of patent holders, and would instead make it more difficult and expensive for patent holders to defend their rights in good faith.

Can you please share with us what the Department of Commerce is doing to ensure that any reforms do not discourage universities and other patent holders from legitimately defending their patents?

Answer. The Department and particularly its U.S. Patent and Trademark Office are actively working within the administration, with Congress, and all stakeholders,

including the university community, to craft fair and balanced legislation to address the adverse effects of abusive patent infringement litigation and mass mailed, vague and threatening settlement demand letters. As a general matter, we are guided by the principle that any final legislation should effectively target truly abusive practices while maintaining a patent owner's legitimate right to enforce his or her patent. Further, we believe that any final legislation should take a balanced and fair approach that neither favors nor adversely affects any particular area of technology, industry or sector.

COMMERCE—REORGANIZATION

Question. The administration's budget includes a proposal to reorganize the administrative structure of several agencies and includes moving NOAA out of the Department of Commerce to the Department of Interior.

Can you provide this subcommittee your thoughts on this proposal, a justification for this proposal and what impact it may have on NOAA?

Answer. I support the President's request for the reorganization authority.

I recognize that any reorganization of our Department would impact our employees' morale and productivity and our operations.

Until the Congress grants the President this authority, we do not anticipate conducting any active planning on this specific proposal and remain focused on our current missions.

The reality is that if the Congress grants this authority, the President would consult with various stakeholders before submitting a specific proposal to Congress that reflects the best interests of each agency involved and the American people.

Right now, we are focused solely on providing the best possible services for the American people.

SUBCOMMITTEE RECESS

Senator SHELBY. The subcommittee stands in recess until Thursday, March the 5th, at 10:30 a.m., when we will take testimony of the NASA administrator, Charles Bolden.

[Whereupon, at 12:04 p.m., Thursday, February 26, the subcommittee was recessed, to reconvene subject to the call of the Chair.]